# Controlant hf.

## Consolidated Financial Statements 2025

Controlant hf.
Smáratorgi 3
201 Kópavogi

Reg.no. 670605-0780

# Contents

# Endorsement and Statement by the Board of Directors and the Chief Executive Officer

### Operations of the Company

Controlant hf. (the “Company”) is a global leader in the optimization of life sciences supply chains, with managed solutions comprising a validated visibility platform, real-time IoT devices, advanced analytics, and extensive customer services. Through flexible and scalable business models, Controlant’s vision is to deliver zero-waste supply chains through real-time visibility and automation. Leading pharmaceutical companies and logistics providers trust Controlant as a validated source of data for their systems of record, making their operations more reliable, cost-effective, and sustainable. Ultimately, Controlant helps ensure the best outcomes for patients, by improving supply chain reliability, safeguarding product quality and supporting access to life-saving medicines. Although the majority of the Company’s operations are based in Iceland, the Company generates almost all its revenues from its global customer base.

The Consolidated Financial Statements for the year ended 31 December 2025 comprise the financial statements of the Company and its subsidiaries (together the “Group” or “Controlant”). The subsidiaries of the Company that comprise the Group are incorporated in Iceland, Denmark, the United States, Poland and the Netherlands.These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and include additional disclosures required by Icelandic law.

### Financial Performance

During 2025 the Group delivered significant improvements in financial performance and operational efficiency.

Revenue from the underlying operations, primarily customer service revenue and other operating revenue, increased to approximately USD 31.4 million, representing growth of approximately 34% compared to the previous year. In addition, the financial statements reflect USD 32.0 million of revenue recognized from deferred income, resulting in total reported revenue of USD 63.4 million for the year.

Gross margins improved materially during the year as cost of goods sold declined and operational efficiency increased. The Company also continued to focus on cost discipline following restructuring measures implemented in 2024, resulting in a considerably lower operating cost base compared to the previous year. Salary expenses and other operating expenses also declined significantly compared to the prior year, reflecting a more efficient organizational structure and improved operational processes.

These developments contributed to a substantial improvement in the Company’s EBITDA position compared to 2024 and supported continued progress toward operational break-even. Management considers the risk of write-offs of accounts receivable to be immaterial, reflecting the strength and credit quality of the Company’s customer base.

### Customer and market development

Commercial execution strengthened during 2025 and supported continued growth in core operating revenues. The Company expanded its engagement with existing global pharmaceutical customers and secured new contracts following competitive tender processes. Activity with logistics service providers also increased during the year, supported by the introduction of simplified commercial models designed for this segment. These developments contributed to increased shipment volumes, additional customer implementations and ongoing expansions with existing customers.

### Commercial Model Development

During the year the Company introduced simplified commercial models, “Controlant Go” and “Controlant Flex”, designed to accelerate customer onboarding and improve accessibility of the Company’s services for logistics service providers and pharmaceutical customers. Early customer engagement has been encouraging and supports the Company’s strategy to broaden its addressable market and improve sales efficiency.

# Endorsement and Statement by the Board of Directors and the Chief Executive Officer, contd.:

### Product Development and Innovation

Product development and innovation continued throughout 2025 with a focus on reliability, scalability and evolving customer requirements. The Saga Card program, which aims to enable unit-level visibility within pharmaceutical supply chains, progressed during the year toward an initial release planned for 2026. In parallel, the Company continued to enhance its software platform through additional automation, improved data handling and expanded analytics functionality, supporting operational efficiency and scalability. At 31 December 2025, capitalized development costs amounted to USD 47.6 million, compared to USD 53.2 million at year-end 2024. The decrease reflects depreciation of previously capitalized development projects exceeding the capitalization of new development expenditure during the year, as well as the absence of recognition of the expected Rannís reimbursement under the Icelandic R&D tax credit scheme for 2025 pending confirmation from the authorities.

### External Environment

The Company's operating environment during 2025 continued to be influenced by currency volatility and geopolitical developments affecting global supply chains. In particular, movements in exchange rates between the U.S. dollar and the Icelandic króna had a negative impact on the Company's cost base and financial performance. Despite these external factors, the Company continued to strengthen its operational performance during the year.

### Management changes

In December 2025, Trausti Þórmundsson informed the Board of Directors of his decision to step down from his position as Co-Chief Executive Officer after accepting an executive opportunity in the United States. This transition took effect in March 2026, following which Gísli Herjólfsson continues as Chief Executive Officer. The Board thanks Trausti for his contributions to the development of the Company.

### Outlook

The Company continues to focus on revenue growth, operational efficiency and product innovation. Based on current operating trends and scheduled customer implementations, management expects continued progress toward operational break-even during 2026. The Company's strategic focus remains on growing its recurring revenue base, continuing revenue diversification, strengthening and expanding customer relationships, and further scaling its technology platform. To support the continued growth, the Company will initiate a funding round in the first half of the year to strengthen its balance sheet and liquidity. Further details will be presented at the annual general meeting of the Company.

### Corporate Governance

Controlant's corporate governance is based on a framework of principles and rules derived from applicable laws and regulations, the Company's Articles of Association and the Icelandic Guidelines on Corporate Governance (6th edition), published in 2021 by the Iceland Chamber of Commerce, SA -the Confederation of Icelandic Enterprise and Nasdaq Iceland. The Company's Corporate Governance Statement is presented in an appendix to the financial statements together with the Company's non-financial reporting disclosures, including EU Taxonomy alignment. The Board of Directors places emphasis on maintaining sound governance practices that support responsible management, transparency and long-term value creation. Key governance documents, including the Articles of Association, Rules of Procedure for the Board of Directors, the Remuneration Policy and prior year's financial statements, are publicly available on the Company's website at https://www.controlant.com/corporate-governance.

# Endorsement and Statement by the Board of Directors and the Chief Executive Officer, contd.:

## Share Capital

During December 2024, the Company completed the second part of the 2024 share capital increase through the issuance of 13,822,001 B shares. The increase was registered in January 2025. In addition, an immaterial share capital increase was approved in December 2025 and completed through the issuance of A shares pursuant to stock option agreements. The increase was registered in January 2026.

On 31 December 2025, the Company's ten largest shareholders were as follows:

| | | Nominal value | Share |
|---|---|---|---|
| 1 | Gildi - lífeyrissjóður ........................................................ | 122,853,333 | 13.21% |
| 2 | Birta lífeyrissjóður .......................................................... | 65,043,999 | 6.99% |
| 3 | Arion banki hf. ................................................................ | 64,723,005 | 6.96% |
| 4 | Frumtak 2 slhf. ................................................................ | 57,697,334 | 6.20% |
| 5 | Stormtré ehf. .................................................................. | 44,971,908 | 4.83% |
| 6 | Líra ehf. .......................................................................... | 33,354,092 | 3.59% |
| 7 | Furinge Invest ApS ....................................................... | 27,195,007 | 2.92% |
| 8 | Sio ehf. ........................................................................... | 22,359,808 | 2.40% |
| 9 | Almenni lífeyrissjóðurinn ............................................... | 20,855,332 | 2.24% |
| 10 | NG Invest Ltd. ................................................................ | 20,683,467 | 2.22% |
| | Other shareholders (377) ............................................... | 450,467,229 | 48.43% |
| **Total share capital (387)** | **........................................................** | **930,204,514** | **100.00%** |

The Board of Directors will propose to the 2026 Annual General Meeting that no dividend be paid in respect of the financial year 2025. Reference is made to the Statement of Changes in Equity in the financial statements for information on changes in the Company's shareholders' equity.

## Statement by the Board of Directors and the Chief Executive Officer

According to the best knowledge of the Board of Directors and the Chief Executive Officer, these Consolidated Financial Statements comply with International Financial Reporting Standards as adopted by the European Union and additional Icelandic disclosure requirements, giving a true and fair view of the Company's financial position as at 31 December 2025, its operating performance and the cash flows for the year ended 31 December 2025, as well as describing the principal risks and uncertainties faced by the Company.

The Board of Directors and the Chief Executive Officer hereby approve the Consolidated Financial Statements of Controlant hf. for the year 2025 with their signatures.

Kópavogur, 5 May 2026

Board of Directors:

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Søren Skou
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Søren Skou

DocuSigned by:
Ásthildur Otharsdóttir
Ásthildur Otharsdóttir

DocuSigned by:
Steve Van Kuiken
Steve Van Kuiken

DocuSigned by:
Michele Holcomb

DocuSigned by:
Magnús Magnússon
Magnús Magnússon

CEO:

DocuSigned by:
Gísli Herjólfsson
Gísli Herjólfsson

# Independent Auditors' Report

To the Board of Directors and shareholders of Controlant hf.

## Opinion

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

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

## Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# Independent Auditors' Report, contd.:

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

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

## Report on Other Legal and Regulatory Requirements

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

Reykjavík, 5 May 2026

***KPMG ehf.***

Hjördís Ýr Ólafsdóttir

Jón Arnar Óskarsson

Signed by:
Hjördís Ólafsdóttir
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Signed by:
Jón Arnar Óskarsson
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# Statement of Comprehensive Income for the year 2025

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **Operating revenue** | | | |
| Sales of goods and services | 3 | 63,376,006 | 80,611,741 |
| **Operating expenses** | | | |
| Cost of goods and services sold | | 6,909,287 | 12,295,523 |
| Salaries and salary-related expenses | 4 | 23,640,554 | 39,864,220 |
| Other operating expenses | | 6,442,151 | 9,751,586 |
| Depreciation and amortisation | 5 | 54,200,456 | 50,252,385 |
| | | 91,192,448 | 112,163,714 |
| Operating loss before financial income and expenses | | ( 27,816,442) | ( 31,551,973) |
| **Financial income and expenses** | | | |
| Interest income | | 1,035,073 | 2,085,505 |
| Interest expenses | | ( 9,659,986) | ( 8,280,308) |
| Net currency exchange difference | | ( 550,962) | 1,596,716 |
| Fair value adjustment on warrant | 14 | 3,830 | 5,358,479 |
| | 7 | ( 9,172,045) | 760,392 |
| Loss before tax | | ( 36,988,487) | ( 30,791,581) |
| Income tax | 6 | 8,936,245 | 6,152,507 |
| **Loss for the year** | | ( 28,052,242) | ( 24,639,074) |
| **Other comprehensive income:** | | | |
| Operating items that may be reclassified income statement recognized directly in equity: | | | |
| Translation differences due to the activities of subsidiaries | | 34,160 | ( 5,589) |
| **Total comprehensive loss for the year** | | ( 28,018,082) | ( 24,644,663) |

# Statement of Financial Position as at 31 December 2025

| | Notes | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **Assets** | | | |
| Development costs | 8 | 47,610,959 | 53,186,209 |
| Other intangible assets | 8 | 1,030,971 | 1,752,294 |
| Operating assets | 9 | 90,216,093 | 126,386,947 |
| Deferred tax asset | 6 | 22,407,043 | 13,518,189 |
| Total non-current assets | | 161,265,066 | 194,843,639 |
| Trade receivables | 11 | 6,680,669 | 9,250,800 |
| Other receivables | 12 | 1,792,739 | 4,148,479 |
| Cash and cash equivalents | | 10,715,436 | 26,772,258 |
| Total current assets | | 19,188,844 | 40,171,537 |
| **Total assets** | | 180,453,910 | 235,015,176 |
| **Equity** | | | |
| Share capital | | 7,114,327 | 7,005,714 |
| Share premium | | 0 | 10,983,442 |
| Reserves | | 50,566,627 | 56,487,932 |
| Accumulated deficit | | ( 6,644,250) | 0 |
| Total equity | 13 | 51,036,703 | 74,477,087 |
| **Liabilities** | | | |
| Loans and borrowings | 14 | 53,359,427 | 47,937,566 |
| Warrants | 14 | 2,080,086 | 2,083,916 |
| Lease liabilities | 15 | 2,704,498 | 4,173,978 |
| Deferred income | 2 | 32,209,732 | 63,745,451 |
| Total non-current liabilities | | 90,353,743 | 117,940,911 |
| Current maturities of lease liabilities | 15 | 2,251,650 | 2,437,050 |
| Trade payables | | 1,837,962 | 2,342,203 |
| Deferred income | 2 | 31,620,993 | 31,872,730 |
| Other payables | | 3,352,859 | 5,945,194 |
| Total current liabilities | | 39,063,464 | 42,597,177 |
| Total liabilities | | 129,417,207 | 160,538,088 |
| **Total equity and liabilities** | | 180,453,910 | 235,015,176 |

# Statement of Changes in Equity for the year 2025

| | Share capital | Share premium | Restricted equity due to development costs | Reserve for profit share | Translation reserve | Accumulated deficit | Total equity |
|---|---|---|---|---|---|---|---|
| **2025** | | | | | | | |
| Equity 1.1.2025 | 7,005,714 | 10,983,442 | 53,186,209 | 3,370,927 | ( 69,206) | 0 | 74,477,086 |
| Comprehensive loss for the year | | | | | 34,160 | ( 28,052,242) | ( 28,018,082) |
| Increase of share capital | 108,613 | 2,907,956 | | | | | 3,016,569 |
| Effect of subsidiaries | | | | ( 380,213) | | 380,213 | 0 |
| Capitalization of development costs | | | ( 5,575,250) | | | 5,575,250 | 0 |
| Effect of stock options | | | | | | 1,561,130 | 1,561,130 |
| Transferred | | ( 13,891,398) | | | | 13,891,398 | 0 |
| Equity 31.12.2025 | 7,114,327 | 0 | 47,610,959 | 2,990,714 | ( 35,046) | ( 6,644,250) | 51,036,703 |
| | | | | | | | |
| **2024** | | | | | | | |
| Equity 1.1.2024 | 5,196,729 | 23,622,780 | 40,595,076 | 1,979,612 | ( 63,617) | 0 | 71,330,580 |
| Comprehensive loss for the year | | | | | ( 5,589) | ( 24,639,074) | ( 24,644,663) |
| Increase of share capital | 1,808,985 | 23,741,897 | | | | | 25,550,882 |
| Effect of subsidiaries | | | | 1,391,315 | | ( 1,391,315) | 0 |
| Capitalization of development costs | | | 12,591,133 | | | ( 12,591,133) | 0 |
| Effect of stock options | | | | | | 2,240,288 | 2,240,288 |
| Transferred | | ( 36,381,234) | | | | 36,381,234 | 0 |
| Equity 31.12.2024 | 7,005,714 | 10,983,443 | 53,186,209 | 3,370,927 | ( 69,206) | 0 | 74,477,087 |

# Statement of Cash Flows for the year 2025

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Total comprehensive loss for the year | | ( 28,018,082) | ( 24,644,663) |
| Adjustment for: | | | |
| Expenses from stock options | 4 | 1,561,130 | 2,240,288 |
| Depreciation | 5 | 54,200,456 | 50,252,385 |
| Net financing (income) expense | | 9,172,045 | ( 760,392) |
| Income tax | 6 | ( 8,936,245) | ( 6,152,507) |
| | | 27,979,304 | 20,935,111 |
| Changes in current assets and liabilities: | | | |
| Trade and other receivables, decrease | | 5,326,825 | 14,241,736 |
| Trade and other payables, decrease | | ( 3,096,576) | ( 5,764,002) |
| Deferred income, decrease | | ( 31,787,456) | ( 57,546,222) |
| Changes in current assets and liabilities | | ( 29,557,207) | ( 49,068,488) |
| Interest income received | | 1,035,073 | 2,085,505 |
| Interest expenses paid | | ( 3,658,505) | ( 2,463,570) |
| Net cash from operating activities | | ( 4,201,336) | ( 28,511,442) |
| **Cash flows used in investing activities:** | | | |
| Investment in intangible assets | 8 | ( 10,462,723) | ( 20,234,178) |
| Investment in operating assets | 9 | ( 1,718,786) | ( 2,493,277) |
| Net cash used in investing activities | | ( 12,181,509) | ( 22,727,455) |
| **Cash flows from financing activities:** | | | |
| Increase of share capital | | 3,016,569 | 25,550,882 |
| New loans and borrowings | 14 | 0 | 10,000,000 |
| Payment of the principal portion of lease liabilities | 15 | ( 2,690,547) | ( 3,014,873) |
| Net cash from financing activities | | 326,022 | 32,536,009 |
| **Change in cash and cash equivalents** | | ( 16,056,822) | ( 18,702,888) |
| **Cash and cash equivalents at 1 January** | | 26,772,258 | 45,475,147 |
| **Cash and cash equivalents at 31 December** | | 10,715,436 | 26,772,258 |

# Notes

## 1. Reporting entity

Controlant hf. (the “Company”) is an Icelandic limited liability Company. The registered office of the Company is at Smáratorg 3, Kópavogur. The Company's main operations are sale and development of the Company's solutions, which consist of hardware, software and services with a special emphasis on global pharmaceutical companies to reduce risk and waste in the supply chain.

## 2. Basis of accounting

### a. *Statement of compliance*

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and, as applicable, additional requirements of the Icelandic Act no. 3/2006 on Annual Financial Statements.

The Company's functional currency was determined in accordance with the relevant rules of the standards and is considered to be US dollar (USD). The financial statements are prepared and presented in USD.

Annual financial statements were approved by the Company's Board of Directors on 5 May 2026.

The preparation of the consolidated financial statements in accordance with International Financial Reporting Standards requires management to make decisions, evaluate and make assumptions that affect the application of accounting policies and disclose the amounts of assets, liabilities, income and expenses. The final results may differ from this assessment.

The assessment and its premises are under constant review. Changes in accounting estimates are recognized in the period in which the change occurs and in the future periods that the changes affect.

### b. *Foreign currency other than functional currency*

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the conversion rate at that date.

### c. *Revenue recognition*

Revenues from the sale of goods and services are recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of services is recognised in the Income Statement when the service has been provided. This is normally done at the beginning or end of each month or relevant period according to agreements.

### d. *Development cost*

In the Statement of Financial Position, development cost is capitalized on the basis of direct salary expenses and other related costs. Amortization is expensed when the product is available for sale and the amortization period is three to five years. Book value of capitalized development cost is transferred from accumulated deficit to reserves within equity, according to Act no. 3/2006. See further in note 8.

### e. *Other intangible assets and operating assets*

Items of other intangible assets and operating assets are measured at cost less accumulated depreciation and accumulated impairment losses.  Depreciation and amortization is calculated on the straight-line basis according to the estimated useful life of assets until a residual value has been reached.

## 2. Basis of accounting, contd:

### *f. Lease assets*

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

#### (i) The Group as lessee

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

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

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

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

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

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

# Notes, contd.:

**2. Basis of accounting, contd:**

***g. Inventories***

Inventories comprise equipment in stock that are available for utilization of services for customers. They are measured at cost or net realisable value, whichever is lower.

***h. Trade receivables and other receivables***

Trade receivables and other receivables are measured at nominal value in the Balance Sheet less provision.

***i. Cash and cash equivalents***

Cash and cash equivalents according to the Balance Sheet comprise of cash balances.

***j. Income tax***

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date.

Income tax assets and income tax liabilities are equalized when there is a legal right to do so, they relate to income tax imposed by the same authorities on the same Company or different Companies that are jointly taxed and are expected to pay taxes jointly.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

***l. Operating assets***

**(i) Recognition and measurement**

Items of operating assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of operating assets have different useful lives, then they are accounted for as separate items (major components) of operating assets.

Any gain or loss on disposal of an item of operating assets is recognised in profit or loss.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

**(iii) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Items of operating assets are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component unless other systematic method is considered appropriate. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives for the current and comparative periods are as follows:

| | |
|---|---|
| Monitoring equipment | 4-5 years |
| Office equipment | 3-5 years |

Depreciation methods, lifetime and closing prices are reassessed on the settlement date and changed if applicable.

## 2. Basis of accounting

### m. *Deferred income*

Deferred income related to customer contracts amounted to USD 63.8 million at year-end.The balance primarily relates to customer consideration received in advance during the years 2020–2022 for managed monitoring and related services to be provided over future periods. Such amounts are recognized as contract liabilities and released to revenue over the relevant service periods as the related performance obligations are satisfied. The deferred income is presented as current and non-current liabilities based on the expected timing of revenue recognition. Of the total balance at year-end, approximately USD 31.6 million is expected to be recognized as revenue during 2026.

### n. *Impairment*

*Financial assets*

A financial asset, not recognised at fair value, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets measured at amortised cost is the difference between, on the one hand, their carrying amount, and on the other hand, the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss on financial assets available for sale is determined on the basis of their fair value at each time. Individual significant financial assets are tested specifically for impairment. Other financial assets are classified together based on credit risk characteristics and each group is tested specifically for impairment.

An impairment loss is expensed in the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Impairment loss on investments held to maturity is reversed in the statement of comprehensive income.

*Other assets*

Carrying amount of other assets of the Group, except for inventories and tax asset, is reviewed at each reporting date to determine whether there are indications of impairment. If there is any such indication the recoverable amount of the asset is estimated. Goodwill is tested for impairment at least once a year.

The recoverable amount of an asset or a cash generating unit is the higher of their net fair value or value in use. Value in use is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is expensed when the carrying amount of an asset or a cash generating unit is higher than its recoverable amount. A cash generating unit is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or asset groups. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of the goodwill and then to reduce the carrying amounts of the other assets in the cash generating unit on a pro rata basis. An impairment loss is expensed in the statement of comprehensive income.

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

# Notes, contd.:

**o. *New financial reporting standards and interpretations not yet adopted***

A number of new standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these Consolidated Financial Statements and they are not considered to have significant impact on the Consolidated Financial Statements, excluding IFRS 18, which addresses presentation and disclosure in financial statements and will change the presentation of the financial statements. The effects of the standard have not been assessed.

## 3. Revenue

Revenues are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Revenue recognition of deferred income | 31,998,594 | 57,168,625 |
| Customer service revenue | 28,266,417 | 21,462,663 |
| Other revenue | 3,110,995 | 1,980,453 |
| Total revenue | 63,376,006 | 80,611,741 |

## 4. Personnel expenses

Salaries and salary-related expenses are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Salaries | 25,635,034 | 43,898,308 |
| Salary-related expenses | 5,332,740 | 9,810,302 |
| Accrued vacation pay and vacation settlement | ( 391,886) | 874,303 |
| Charge of stock options, see note 16 | 1,561,130 | 2,240,288 |
| Capitalized salaries | ( 8,496,463) | ( 16,958,981) |
| Total salaries and other personnel expenses | 23,640,555 | 39,864,220 |
| | | |
| Average number and full time equivalents during the year | 236 | 437 |
| Full time equivalents at the end of the year | 216 | 295 |

Salaries of the Co-CEOs amounted to USD 758,026 for the year 2025 (2024: USD 460,000). Remuneration of the Board of Directors amounted to USD 132,000 for the year 2025 (2024: USD 94,000).

## 5. Depreciation

Depreciation is specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Development cost | 16,828,960 | 13,520,761 |
| Other intangible assets | 721,323 | 1,155,079 |
| Operating assets | 35,322,275 | 39,075,206 |
| Lease assets | 2,118,884 | 2,389,038 |
| Depreciation capitilized as development cost | ( 790,986) | ( 5,887,699) |
| Depreciation total | 54,200,456 | 50,252,385 |

# Notes, contd.:

## 6. Income tax

Income tax is specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Loss before tax | ( 36,988,487) | ( 30,791,581) |
| Income tax according to current tax rate, 20/21% | 7,397,697 | 6,466,232 |
| Non-taxable income - tax relief Rannís | 0 | 397,974 |
| Non-deductible expenses - stock option agreements | ( 312,226) | ( 448,058) |
| Foreign exchange loss on tax loss carry forward | 1,366,844 | ( 88,681) |
| Other changes | 483,930 | ( 174,960) |
| Income tax in the income statement | 8,936,245 | 6,152,507 |
| Effective tax rate | 24.2% | 20.0% |

Deferred tax asset is specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Deferred tax asset 1.1 | 13,518,189 | 7,207,145 |
| Income tax recognised in income statement | 8,936,245 | 6,152,507 |
| Other changes | ( 47,390) | 158,537 |
| Deferred tax asset 31.12 | 22,407,043 | 13,518,189 |

Deferred tax asset is attributable to the following:

| | 2025 | 2024 |
|---|---|---|
| Intangible assets and operating assets | 2,448,712 | 2,448,712 |
| Lease assets | ( 792,394) | ( 1,305,867) |
| Lease liabilities | 991,230 | 1,322,206 |
| Account receivables | 22,000 | 24,769 |
| Deferred currency exchange difference | ( 199,335) | ( 380,195) |
| Tax-loss carry forwards | 19,936,830 | 11,408,564 |
| Deferred tax asset 31.12 | 22,407,043 | 13,518,189 |

Unutilized tax loss at the end of 2025, which may be carried forward according to tax law, amounts to USD 99.7 million. A deferred tax loss that is not used against profit within ten years of its formation is cancelled.

Transferable tax loss is usable as follows:

| | 2025 | 2024 |
|---|---|---|
| Taxable loss 2019, usuable until 2029 | 2,850,691 | 2,582,536 |
| Taxable loss 2020, usuable until 2030 | 8,934,025 | 8,093,632 |
| Taxable loss 2023, usuable until 2033 | 16,759,731 | 15,183,201 |
| Taxable loss 2024, usuable until 2034 | 35,998,220 | 31,183,451 |
| Taxable loss 2025, usuable until 2035 | 35,141,485 | 0 |
| Total | 99,684,152 | 57,042,820 |

## 7. Financial income and expenses

Financial income and expenses are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Interest income on cash and cash equivalents | 1,035,073 | 2,085,505 |
| Interest expense on loans and borrowings | ( 9,156,205) | ( 7,574,150) |
| Interest expenses on lease liabilities | ( 503,781) | ( 706,158) |
| Net currency exchange | ( 550,962) | 1,379,577 |
| Fair value adjustment on warrant | 3,830 | 5,358,479 |
| Foreign exchange contract, fair value change | 0 | 217,139 |
| Total | ( 9,172,045) | 760,392 |

## 8. Intangible assets

### Development cost

The Company has applied for reimbursement from Rannís, The Icelandic Centre for Research, in respect of certain qualifying development projects under Act no. 152/2009. During the review process, Rannís has indicated an intention to reject confirmation of the projects for the 2025 reimbursement scheme. The Company is in active dialogue with Rannís regarding the application and believes that the relevant development projects satisfy the statutory criteria for reimbursement. As the final ruling has not yet been issued as at 31 December 2025, and uncertainty remains as to the outcome of the process, no receivable has been recognized in the statement of financial position at year end.

Development costs are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Balance at 1.1. | 53,186,209 | 40,595,093 |
| Capitalized wages and salary-related expenses | 8,496,463 | 16,958,981 |
| Capitalized other development costs | 1,966,260 | 5,265,067 |
| Depreciation capitilised as development cost | 790,987 | 5,877,699 |
| Calculated refund Rannís | 0 | ( 1,989,870) |
| Depreciation | ( 16,828,960) | ( 13,520,761) |
| Balance at 31.12. | 47,610,959 | 53,186,209 |

Other intangible assets are trademarks and patents and are classified as follows:

| | 2025 | 2024 |
|---|---|---|
| Balance 1.1. | 1,752,294 | 2,907,373 |
| Depreciation | ( 721,323) | ( 1,155,079) |
| Balance at 31.12. | 1,030,971 | 1,752,294 |
| | | |
| Depreciation ratios | 25-30% | 25-30% |

# Notes, contd.:

## 9. Operating assets

Specified as follows:

| | Lease assets | Monitoring equipment | Office equipment | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| Balance at 1.1.2024 | 12,785,796 | 324,536,925 | 6,822,887 | 344,145,608 |
| Reclass to other receivables | 0 | 0 | ( 1,229,103) | ( 1,229,103) |
| Additions 2024 | 0 | 2,469,930 | 23,347 | 2,493,277 |
| Effect of revaluation of lease liabilities | 221,929 | 0 | 0 | 221,929 |
| Balance at 1.1.2025 | 13,007,725 | 327,006,855 | 5,617,131 | 345,631,711 |
| Additions 2025 | 0 | 1,390,739 | 328,047 | 1,718,786 |
| Effect of revaluation of lease liabilities | ( 448,481) | 0 | 0 | ( 448,481) |
| Balance at 31.12.2025 | 12,559,244 | 328,397,594 | 5,945,178 | 346,902,016 |
| **Depreciation** | | | | |
| Balance at 1.1.2024 | 4,089,350 | 169,817,694 | 3,873,475 | 177,780,519 |
| Depreciation 2024 | 2,389,038 | 38,282,151 | 793,055 | 41,464,244 |
| Balance at 1.1.2025 | 6,478,388 | 208,099,845 | 4,666,530 | 219,244,763 |
| Depreciation 2025 | 2,118,884 | 34,694,523 | 627,752 | 37,441,159 |
| Balance at 31.12.2025 | 8,597,272 | 242,794,369 | 5,294,282 | 256,685,922 |
| **Carrying amounts** | | | | |
| Balance at 1.1.2024 | 8,696,446 | 154,719,231 | 2,949,412 | 166,365,089 |
| Balance at 1.1.2025 | 6,529,337 | 118,907,010 | 950,601 | 126,386,948 |
| Balance at 31.12.2025 | 3,961,972 | 85,603,225 | 650,896 | 90,216,093 |
| Depreciation ratios | 3-10% | 20-30% | 20-33% | |

Insurance value of the Operating assets is 84.1 m. USD.

## 10. Shares in subsidiaries

The Company owns 100% shares in five subsidiaries and are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Controlant Denmark ApS. (Denmark) | 100% | 100% |
| Controlant Inc (USA) | 100% | 100% |
| Controlant Netherlands B.V(Netherlands) | 100% | 100% |
| Controlant Poland Sp.z o.o (Poland) | 100% | 100% |
| C-Loggers ehf.(Iceland) | 100% | 100% |

All shares in subsidiaries have been pledged as security in connection with the Group’s financing arrangements.

## 11. Trade receivables

Trade receivables are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Trade receivables | 6,790,669 | 9,374,643 |
| Allowance for impairments | ( 110,000) | ( 123,843) |
| Total trade receivables | 6,680,669 | 9,250,800 |

All trade receivables have been pledged as security in connection with the Group’s financing arrangements.

# Notes, contd.:

## 12. Other receivables

Other receivables are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Reimbursement costs for the dev. project, Rannís grant (see note 8) ...................... | 0 | 1,989,870 |
| Value added tax deposit ...................................................................................... | 155,511 | 346,330 |
| Prepaid cost ............................................................................................................ | 412,268 | 970,105 |
| Other short term receivables .................................................................................... | 1,224,960 | 842,174 |
| Total other receivables ............................................................................................ | 1,792,739 | 4,148,479 |

## 13. Equity

### *Shares*

The Company's share capital according to its Articles of Association amounts to ISK 930,204,514 at the end of 2025 and is divided into 161,129,867 A class shares and 769,074,647 B class shares. One vote is attached to each share in the Group. Class B Shareholders shall be granted priority in payments equivalent to their initial investments in certain circumstances, see further in the Company's articles of association. The Company's share capital has been converted into USD in the Company's Balance Sheet.

### *Share premium*

Share premium consists of excess value of sales price of share capital over nominal value. Accumulated deficit can be set off againt share premium.

### *Capitalized development cost*

The carrying amount of capitalized development costs is transferred from retained earnings to a restricted account among equity in accordance with the International Financial Reporting Standards.

### *Unrealized profits of subsidiaries*

In accordance with International Financial Reporting Standards, the share of the results of subsidiaries in the income statement is transferred from retained earnings to a restricted account in equity to the extent that the share exceeds the dividends received from these companies or the dividends that have been decided to be distributed.

### *Translation difference*

The translation difference consists of exchange rate differences that arise due to the translation of the financial statements of foreign subsidiaries into the functional currency of the parent ompany.

### *Capital structure policy*

It is the policy of the Board of Directors to maintain a strong equity position to support the future development and growth of the Company. The equity ratio was 28% at year-end 2025 compared to 32% at year-end 2024, but the large amount of deferred income skews this ratio considerably, and therefore must be considered when assessing the equity ratio.

## 14. Loans, borrowings and warrants

Loans and borrowings are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Loans and borrowing - maturity date July 2029 .......................................................... | 45,050,315 | 39,878,919 |
| Loans and borrowing - maturity date November 2027 ................................................ | 10,389,198 | 10,142,563 |
| Total loans and borrowing .......................................................................................... | 55,439,513 | 50,021,482 |

The increase in the loan maturing in July 2029 is primarily due to the application of the effective interest rate method, which results in a gradual increase in the carrying amount as the initial discount is amortised over the term of the loan.

## 14. Loans, borrowings and warrants, contd.:

In November 2024, the Company entered into a USD 10,700,000 credit facility with repayment period of three years. The Company can extend the loan for two more years if certain conditions are met.

In July 2023, the Company entered into a USD 40,000,000 credit facility with a repayment period of six years. Prepayment is allowed after 31 December 2025, subject to a 2% prepayment fee.

The credit facility has quarterly interest payments in the range of 12-12.75%. The interest can be either, at the Company's discretion, (a) 12% interest rates or (b) a 6% interest rates with the remaining interest 6% + 0.75% PIK fee, or 6.75% added to notional. Interest rates are therefore in the range of 12-12.75%.

At the year end the Group is in compliance with all financial covenants required by the Credit Facility agreement.

The Group's financing arrangements are secured by pledges over key Group assets, including shares in subsidiaries and trade receivables.

In relation to the credit facility, the Company issued penny warrants to the lender in conjunction with a USD 40 million credit facility issued in July 2023. The underlying option associated with these warrants has an approximate value of USD 7.5 million. At year end 2025 the fair value of the warrant was USD 2.1 million. The valuation of the option was determined using the Black-Scholes methodology. The total number of shares covered by these warrants is approximately 8.9 million shares. The strike price for these penny warrants is 1 ISK per share. The warrant can be exercised while the loan is unpaid.

| *Gains and losses on derivatives related to warrant loans* | **2025** | **2024** |
|---|---|---|
| Interest expense ........................................ | ( 7,651,542) | ( 7,189,193) |
| Fair value adjustment on warrant ........................................ | 3,830 | 5,358,479 |
| | ( 7,647,712) | ( 1,830,714) |

*Warrant Classification:*

Warrants are freestanding financial instruments that can be legally detached from the underlying shares. Pursuant to the requirements of IAS 32 Financial Instruments: Presentation, the Company classifies these warrants as financial liabilities. The reason for this classification is that the exercise price of the warrants is denominated in ISK, while the Company's functional currency is USD.

*Accounting Treatment of warrant:*

The outstanding warrants are recognized as warrant liabilities in the Consolidated Statement of Financial Position. Initially, their fair value is measured on the issuing date. Subsequently, at each reporting period, changes in fair value are recorded as a component of Change in Fair Value in the Consolidated Income Statement and other comprehensive income, following the guidelines of IFRS 13, Fair Value Measurement.

## 15. *Lease liabilities*

The Company leases office premises and warehouses. Lease liabilities are specified as follows:

| | 2025 | 2024 |
|---|---|---|
| Carrying amount at 1.1. | 6,611,027 | 9,120,233 |
| New leases and effect of remeasurement of leases | 1,035,667 | 505,667 |
| Repayments | ( 2,690,547) | ( 3,014,873) |
| Total lease liabilities | 4,956,148 | 6,611,027 |
| Current maturities of non-current lease liabilities | ( 2,251,650) | ( 2,437,050) |
| Total non-current lease liabilities | 2,704,499 | 4,173,978 |

Undiscounted leases liabilities are payable in the following years as follows:

| | 2025 | 2024 |
|---|---|---|
| Within 12 months | 2,251,650 | 2,437,050 |
| One to five years | 2,556,085 | 4,394,966 |
| More than five years | 1,056,396 | 756,206 |
| Total undiscounted lease liabilities | 5,864,131 | 7,588,222 |
| Unrealised interest expense | ( 907,983) | ( 977,194) |
| Net liabilities in leases | 4,956,148 | 6,611,027 |

## 16. Related parties

The Company's related parties are its directors, management, companies owned by the directors and its subsidiaries. Information regarding salaries is in note 4.

*Stock option agreement*

Stock option agreements have been entered into with management, employees and advisors in accordance with the Board authorization set out in the Articles of Association. As at 31 December 2025, options over 25.1 million shares remained outstanding. The weighted average exercise price of the outstanding options is ISK 30 per share. The options are exercisable in accordance with the respective vesting and exercise terms of the underlying agreements through 2031 and will be settled by delivery of shares against payment of the applicable exercise price.

## Risk management

## 17. Overview

The Group is exposed to a range of financial and operational risks in the course of its business activities, including the following principal risk categories:

• Credit risk
• Liquidity risk
• Market risk
• Operating risk

This note presents information on each of these risk categories, including the Group’s objectives, policies and processes for measuring, monitoring and managing risk.

The Group’s risk management policies are designed to identify and analyse the risks faced by the Group, establish appropriate risk limits and controls, and monitor compliance with those limits. Risk management policies and systems are reviewed regularly and updated as necessary to reflect changes in the Group’s operations and risk environment.

## 18. Credit risk

Credit risk refers to the risk of financial loss arising from a customer or other counterparty failing to meet its contractual obligations. The Group's customer portfolio is characterized primarily by a limited number of large global pharmaceutical and logistics customers with strong credit profiles, and historical credit losses have therefore remained immaterial.

Credit exposure is monitored on an ongoing basis through established billing, collection and customer account review processes.

*Exposure to credit risk*

The Group's maximum exposure to credit risk of financial assets is their carrying amount which at year-end was as follows:

| | | Carrying amount | |
|---|---|---|---|
| | **Notes** | **2025** | **2024** |
| Trade receivables | 11 | 6,680,669 | 9,250,800 |
| Other receivables | 12 | 1,380,471 | 3,178,374 |
| Cash and cash equivalents | | 10,715,436 | 26,772,258 |
| | | 18,776,576 | 39,201,432 |

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

| | **2025** | **2024** |
|---|---|---|
| Balance at 1 January | ( 123,843) | ( 111,679) |
| Changes during the year | 13,843 | ( 12,164) |
| Balance at 31 December | ( 110,000) | ( 123,843) |

At year end the Company's most significant customers account for USD 4.1 m of trade receivables (2024: USD 6.1 m). The allowance for expected credit losses on trade receivables decreased by USD 14 thousand during 2025, consistent with the Group's historical loss experience and the strong payment profile of its key customers.

# Notes, contd.:

## 19. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. While the Group has materially improved its operating cash flow during 2025, liquidity management remains a key focus area as a significant portion of reported revenue continues to arise from the release of deferred income for which cash was received in prior periods. Accordingly, current-period revenue recognition does not fully correspond to current-period operating cash inflows.

As at year-end 2025, the Group held cash and cash equivalents of USD 10.7 million. Management continues to actively execute on revenue growth initiatives, cost base optimization and financing workstreams designed to support the Group's path to operational profitability and further strengthen liquidity. The Board of Directors and management actively monitor the Group's liquidity position and cash flow forecasts and take appropriate measures, including pursuing financing alternatives where considered necessary, to maintain an appropriate liquidity buffer.

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

| **2025** | **Carrying amount** | **Contractual cash flows** | **Less than 1 year** | **2-5 years** | **Later** |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities:** | | | | | |
| Loans and borrowings ........... | 53,359,427 | 75,279,074 | 3,827,395 | 71,451,679 | 0 |
| Lease liabilities ...................... | 4,956,148 | 5,864,131 | 2,251,650 | 2,556,085 | 1,056,396 |
| Trade payables ..................... | 1,837,962 | 1,837,962 | 1,837,962 | 0 | 0 |
| Other payables ...................... | 3,352,859 | 3,352,859 | 3,352,859 | 0 | 0 |
| | 63,506,396 | 86,334,026 | 11,269,866 | 74,007,764 | 1,056,396 |

| **2024** | | | | | |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities:** | | | | | |
| Loans and borrowings ........... | 47,937,566 | 87,807,711 | 3,651,055 | 84,156,657 | 0 |
| Lease liabilities ...................... | 6,611,028 | 7,588,222 | 2,437,050 | 4,394,966 | 756,206 |
| Trade payables ..................... | 2,342,203 | 2,342,203 | 2,342,203 | 0 | 0 |
| Other payables ...................... | 5,945,194 | 5,945,194 | 5,945,194 | 0 | 0 |
| | 62,835,991 | 103,683,330 | 14,375,502 | 88,551,623 | 756,206 |

## 20. Market risk

Market risk is the risk that changes in foreign exchange rates, interest rates and other market prices will affect the Group's financial position and results. The objective of market risk management is to identify, monitor and manage exposures within parameters approved by the Board of Directors.

The Group regularly evaluates its currency-related exposures, as considerable portion of its cost base is denominated in Icelandic Króna while almost all revenues are generated in USD and other major currencies. No foreign exchange hedging instruments were entered into during 2025. However, the use of such instruments, including ISK/USD forward contracts, is considered from time to time in accordance with treasury and risk management policies approved by the Board of Directors.

## 20. Market risk, contd:

The following significant exchange rates were applied during the year:

| | Average rate | | Reporting date spot rate | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| ISK / USD ......................................................... | 0.0078 | 0.0073 | 0.0080 | 0.0072 |
| EUR / USD ...................................................... | 1.1268 | 1.0825 | 1.1757 | 1.0444 |
| PLN / USD ........................................................ | 0.2658 | 0.2514 | 0.2782 | 0.2437 |
| DKK / USD ...................................................... | 0.1510 | 0.1451 | 0.1574 | 0.1396 |

## 21. Operating risk

Operating risk is the risk of direct or indirect loss arising from failures in processes, personnel, technology, organizational structures or external events. The Group seeks to maintain an appropriate balance between safeguarding against losses and fostering an innovative and agile operating environment.

Operating risk applies across all aspects of the Group's business activities. The Group manages operational risk through a structured internal control framework designed to minimize financial loss, protect the Group's reputation and support effective decision-making, while preserving the creativity and innovation required in its operations.

To mitigate operating risk, the Group applies segregation of duties, performs regular risk assessments, provides systematic employee training, maintains and documents standard operating procedures and maintains appropriate insurance coverage where relevant. These control activities are supported by periodic corporate risk assessments and formal management reviews performed under the Group's quality and information security management systems, through which key risks, control effectiveness and required improvement actions are regularly evaluated.

The Group's products and services are designed for highly regulated industries and are validated to comply with FDA 21 CFR Part 11 and EU GMP Annex 11 requirements. Controlant's data loggers also hold various certifications and country-specific approvals.

Risk assessments and control activities are conducted in accordance with established standards, including ISO 9001:2015 for quality management systems and ISO/IEC 27001:2013 for information security management systems. In addition, the Group undergoes an annual SOC 2 Type 2 audit covering controls related to security, availability, processing integrity, confidentiality and privacy.

# Non-financial reporting

Controlant hf. (the “Company”) provides technology-enabled managed solutions designed to optimize life sciences supply chains, with managed solutions comprising a validated visibility platform, real-time IoT devices, advanced analytics, and integrated customer services.

Controlant’s vision is to deliver zero-waste supply chains through real-time visibility, data-driven decision-making and automation. Controlant’s technology contributes to reduced product waste, improved supply chain efficiency, and enhanced visibility across global pharmaceutical logistics networks.

Leading pharmaceutical companies and logistics providers trust Controlant as a validated source of data for their systems of record, making their operations significantly more reliable, cost-effective, and sustainable. Controlant also helps safeguard the integrity of temperature sensitive medicines, thereby contributing to improved patient safety and access to critical therapies.

Founded in 2007, Controlant had an average of 236 full-time equivalent employees (FTEs) representing 29 nationalities in the 2025 financial year. Controlant generated USD 63 million in revenue in 2025 and operates internationally with customers across the global life science sector.

This report should be read in conjunction with the explanatory note at the end of this disclosure. customers across the global life science sector.

## Minimum safeguards, code of conduct and policies

Minimum safeguards are implemented through Controlant’s governance framework, internal policies, and management systems to ensure compliance with internationally recognized standards relating to human rights, labor practices, anti-corruption, and responsible business conduct.

### Governance Framework

Corporate Governance is the framework that defines how companies are directed and controlled. Controlant acknowledges that sound governance is essential for generating long-term value for all stakeholders, including shareholders, employees, customers, and the broader community. Controlant's commitment to a robust governance framework, respect for human rights, adherence to social and labor standards, anti-corruption measures, promotion of fair competition, and commitment to responsible taxation across all its activities serves as the cornerstone of its efforts to ensure compliance with applicable minimum safeguard requirements.

Controlant operates according to all relevant laws and regulations in Iceland. Its operations are guided by its Articles of Association as well as internal policies and procedures which take into consideration the Guidelines on Corporate Governance (6th edition), published by the Iceland Chamber of Commerce, S.A.- Confederation of Icelandic Enterprise and Nasdaq Iceland in 2021.

### Policies and Ethical Standards

Furthermore, these commitments are reinforced through established company policies, a Code of Conduct, mandatory employee training, and external audits conducted by Controlant’s customers, and ISO certification bodies.

Controlant supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption and is committed to making the UN Global Compact and its principles a part of the strategy, culture, and day-to-day operations of the company. Controlant became a participant in the UN Global Compact in 2022. Recognizing the ongoing importance of these principles, Controlant remains committed to prioritizing these areas. The company aims to prevent, detect, and address misconduct and non-compliance within the organization to protect Controlant’s reputation, values, and legal compliance – reflected in Controlant’s policies such as Controlant’s Anti-Bribery and Corruption Policy, Corporate Sustainability & Environmental Policy, Health and Safety Policy, Procurement Policy, Equality, Diversity, and Inclusion Policy, among others (available on www.controlant.com and/or on request).

Controlant’s Code of Conduct applies to all its employees and suppliers who provide services and support to Controlant. The Code of Conduct outlines commitment to fair, compliant, transparent, and sustainable business practices and appropriate governance structure. Controlant strives to fulfill the laws and regulations of the countries where it operates and expects nothing less from its partners.

# Non-financial reporting, contd.:

### Risk Management and Compliance

Controlant maintains technical and organizational controls in line with industry best practices.

During 2025 the risk management function was further strengthened, particularly around improved risk documentation and standardized operating procedures for conducting risk assessments. As part of the risk assessment, risks are identified, analyzed, evaluated, and mitigation controls are adopted to reduce the operational risks of Controlant. The purpose of risk treatment is to define systematic means of reducing or controlling such risks.

Controlant has a certified quality and information security management system based on ISO 9001 and ISO 27001, certified by the British Standards Institution (BSI) Iceland.

Policies on environmental issues, social and employee matters, human rights, and actions against corruption and bribery are in place in the Company's management system and are formally communicated and trained to all employees.

### External Sustainabilty Initatives

Controlant participated in several sustainability initiatives in 2025, including:

* Festa, Centre for Sustainability in Iceland
* Science Based Targets initiative (SBTi)
* UN Global Compact
* United Nations Sustainable Development Goal (UN SDGs)

## Corporate social responsibility

The year 2025 was a period of organizational transition for Controlant, marked by organizational recalibration initiative initiated in 2024 to secure the foundation for long-term growth. This resulted in a leaner organization where the company's workforce was reduced from an average FTE of 295 in 2024 to 236 FTEs in 2025, supporting improvements in the Company's cost structure, operational agility, and customer focus, supporting Controlant in achieving its long-term goal of sustainable growth.

Workforce reductions executed in November 2024 resulted in the reduced work force levels observed from the end of Q1 and onwards. The majority of employees are based in Iceland, which is the location of Controlant's headquarters.

Controlant's vision is to unleash the power of people and technology to deliver zero-waste supply chains for its partners and the planet. By reducing waste in one of the world's most critical supply chains, the company contributes to the development of sustainable and responsible supply chains.

The global nature of pharma supply chains requires seamless connectivity and collaboration. Controlant established its corporate sustainability roadmap in 2023 with the objective of balancing environmental, social, and economic performance. During 2025 this roadmap was further aligned with the Company's simplified operating model and leaner organizational structure across its operational hubs.

Controlant reports transparently to all stakeholders on its sustainability journey, key milestones achieved, and ESG performance metrics aligned with the Nasdaq ESG Data Reporting Guide 2.0, through an ESG Reporting Hub on www.controlant.com/sustainability. Controlant reports its progress on sustainability performance and commitments through the United Nations Communication on Progress (accessible on www.unglobalcompact.org), providing a transparent account of Controlant's corporate sustainability activities and impacts aligned with the Ten Principles and the United Nations Sustainable Development Goals (UN SDG).

## Non-financial reporting, contd.:

Controlant prioritizes four of the UN SDGs, which are as follows:

**Goal 3** – Good Health and Well-Being: which centers around ensuring healthy lives and promoting well-being for all individuals, regardless of age.
**Goal 4** – Quality Education: which aims to guarantee inclusive and equitable quality education, in addition to promoting lifelong learning opportunities for all.
**Goal 9** – Industry, Innovation and Infrastructure: which focuses on building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation.
**Goal 13** – Climate Action: which emphasizes the urgent need to take action against climate change and its impacts.

Through ESG ratings, Controlant demonstrates transparency regarding its sustainability performance while aligning with shareholder expectations for sustainable business practices. For 2025 Controlant had external sustainability ratings issued by CDP Climate as well as EcoVadis.

The Climate Disclosure Project (CDP), a global non-profit operating one of the world's leading environmental disclosure platforms, awarded Controlant a B rating in Q1 2025. The rating marks an improvement from B- rating received in 2024 and reflects progress toward strengthened climate disclosure and environmental management practices. On a scale from D- to A, representing environmental leadership and best practice, Controlant scored an A/A- in the categories of Scope 3 disclosure, industry collaboration, emission reduction initiatives, and low carbon products supported by lifecycle assessment. Controlant's CDP rating was supported by enhanced environmental policies, value chain engagement initiatives and governance processes relating to environmental impact.

Controlant has been rated Silver in its 2025 EcoVadis sustainability assessment, placing Controlant among the top 15% of more than 150,000 rated companies globally across industries. EcoVadis is the world's leading provider of business sustainability ratings. This marks the second consecutive year that Controlant has achieved a silver rating. In the 2025 assessment, Controlant earned its highest overall score to date of 72/100.

The following table reflects Controlant's latest available ESG ratings.

| Valid ESG ratings for 2025 | |
|---|---|
| CDP Climate (issued 04/25) | B |
| EcoVadis (issued 03/25) | Silver (72/100) |

### Environmental responsibility

Preliminary estimates indicate that Controlant's total emissions in 2025 have been reduced by approximately 41% compared with the previous year, suggesting continued alignment with the Company's 2030 science-based target. In May 2023, Controlant had its science-based target validated and published by the Science Based Target initiative.

Controlant commits to reducing absolute scope 1 and scope 2 greenhouse gas (GHG) emissions by 42% by 2030 from a 2022 base year and has also committed to measuring and reducing its scope 3 emissions.

Combined emissions from scope 1 and 2 were lowered by 33% in 2025 compared to 2024. The emission reduction reflects the leaner organizational structure following corporate restructuring in the second half of 2024 and during 2025, including further consolidation and reduction in office space at the head office in Iceland and lower usage of the US service center due to the move to a new facility in Rockaway, New Jersey in Q2 2025 offering modern and improved working conditions. This move also resulted in lower electricity consumption during Q1 2025. In 2024, three office locations in Iceland were consolidated into one office building on four floors, which were further consolidated to two floors by end of 2025, bringing down the overall energy intensity of operations in 2025. Carbon intensity per unit of revenue decreased by 20% in 2025, and the share of renewable remained stable at around 93%, which is aligned with Controlant's customers' goals on renewable energy sourcing.

# Non-financial reporting, contd.:

Additional information regarding case studies and end-of-life processes for Controlant devices can be found on Controlant's website.

Emissions from scope 3 decreased by 41% in 2025, reflecting smaller organizational footprint, headcount reduction, and cost control measures that reduced emissions across most scope 3 categories, particularly Purchased Goods & Services (Category 1), Business Travel (Category 6) and Employee Commuting (Category 7).

## Social responsibility

Controlant continues to build a culture of excellence and collaboration to drive organizational growth and employee satisfaction.

At the beginning of 2025, a Great Place To Work® survey was conducted across all of Controlant's locations, with overall employee participation of 89%. The Great Place To Work® Model is a framework for understanding how workplace culture drives business success. As a result, Controlant's Polish office has been certified as a Great Place To Work®. Controlant's employee base has grown most in Poland, making this recognition particularily meaningful for the Company's growing operations in the region.

All employees of Controlant are employed in compliance with applicable labor laws and practices. Each employee receives mandatory training, ranging from IT security training and Controlant internal policies to life sciences compliance training.

Controlant does not use any forced labor or child labor in its operations. Controlant respects all rights of employees, including the right to associate freely and join or not join labor unions. Two-thirds of employees are covered under a collective bargaining agreement (2025: 64%). Employees can communicate openly with management regarding working conditions without threat of reprisal, intimidation, or harassment. Controlant provides its employees with a workplace environment that complies with applicable laws and regulations. Discrimination of any kind is not tolerated.

Controlant is proud to be certified as an Equal Pay employer in Iceland. The adjusted pay difference in Iceland was 0.9% for 2025, well below the goal of 2.0%.

Controlant fosters a vibrant workplace culture through a variety of employee-led clubs, each offering unique activities to suit diverse interests. Examples include a golf club and a running club, ensuring that employees have opportunities to engage in recreational and social activities. Controlant organizes events across all its office locations to foster community and engagement beyond the workplace and to strengthen connections among colleagues in a more informal setting.

## Controlant's core values

| | |
|---|---|
| Creativity | We believe in fostering creativity and innovation. |
| Transparency | We believe in transparency in our work and with our customers. |
| Excellence | We believe in high quality and seeing the standard for excellence. |
| Fun | We believe in making work enjoyable; it keeps us coming back. |

# Corporate Governance Statement

Controlant hf. ("Controlant" or the "Company") is a public limited Company (non-listed) incorporated in Iceland, with its registered office in Kópavogur, Iceland. This corporate governance statement is provided in accordance with Article 66(c) of the Icelandic Financial Statements Act no. 3/2006 and outlines the Company's corporate governance framework.

The Company operates in accordance with applicable laws and regulations in Iceland, including the Act on Public Limited Companies no. 2/1995. The Company´s operations are governed by its Articles of Association as well as internal policies and procedures.

The Board of Directors has adopted Rules of Procedure that take into account the Corporate Governance Guidelines (6th edition 2021) issued by the Iceland Chamber of Commerce, S.A. - Confederation of Icelandic Enterprise and Nasdaq Iceland. The guidelines are available on the website of the Iceland Chamber of Commerce. The Company generally follows these guidelines. However, the Board of Directors has currently decided not to establish board sub-committees and a nomination committee has not been established. The Board has assessed that, considering the size and structure of the Company, the responsibilities typically assigned to such committees are appropriately addressed by the Board of Directors as a whole.

The Company's remuneration policy was approved at the Annual General Meeting held on 5 May 2025. The policy governs the remuneration of the members of the Board of Directors, the Chief Executive Officers and the executive team of the Company.

The Company´s rules of procedure for the Board of Directors, Articles of Association, and remuneration policy are available on the Company's website at: https://www.controlant.com/corporate-governance.

## Board of Directors

The Board of Directors holds overall responsibility for the affairs of the Company between shareholder meetings, operating in accordance with Icelandic laws and regulations, the Company's Articles of Association and the Rules of Procedure adopted by the Board. The Board is elected by shareholders at each Annual General Meeting and consists of five members. Furthermore, two alternative members are elected. The Board is generally elected for the term of one year but, according to the Company's Articles of Association, a shareholder meeting may decide, at the meeting where the election of the Board takes place, that the term of office of the Board or of individual Board members will be different or split, provided that such proposal is presented to the meeting in connection with the election of the Board of Directors.

According to Icelandic law, the Board of Directors allocates responsibilities between its members. The Board of Directors elects a Chairman and Vice-Chairman and is responsible for the Company's organization, including setting the long-term objectives and strategy, and for ensuring the proper conduct of its operations. The Board of Directors has the authority to make decisions on all significant matters in accordance with the statutory division of responsibilities among the Board of Directors, the Co-CEOs, and the Executive Team. To achieve these objectives, the Board of Directors sets strategic goals and targets, and evaluates the performance of the Co-CEOs and the Executive Team.

The Board of Directors may visit Company locations in Iceland and abroad on a regular basis and may meet with customers and investors to the extent required. Decisions of the Board of Directors are taken by a majority of votes. In the event of a tied vote, the Chairman has the casting vote, and in his or her absence the Vice-Chairman.

The Board of Directors was elected at the Company's Annual General Meeting on 5 May 2025 and consists of Søren Skou, Ásthildur Otharsdóttir, Michele Holcomb, Magnús Magnússon and Steve Van Kuiken, all of whom were elected for a full term. Alternative members of the Board of Directors are Svanhvít Gunnarsdóttir, since 2021 and Baldvin Valdimarsson, since 2025.

The Board of Directors comprises three men and two women, thereby ensuring the Company´s compliance with the gender ratio provisions outlined in Article 63 of the Act on Public Limited Companies no. 2/1995. The Company´s Board members possess diverse educational backgrounds and extensive business experience. At year end 2025, all members of the Board of Directors are considered independent of the Company and its major shareholders.

# Corporate Governance Statement, contd.:

### Søren Skou (61), Chairman of the Board

Søren holds an MBA with honors from IMD, Lausanne Switzerland and a graduate diploma in marketing from Copenhagen Business School. He is the chairman of VTG GmbH, Skyborn Renewables GmbH, HES International BV, Danish Crown AmbA, The Lundbeck Foundation, Bygma Gruppen A/S and C W Obel A/S. He is furthermore the chairman of The Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping. Previously he was the CEO of A. P. Møller Mærsk, where he had a career in shipping and logistics spanning almost 40 years.

Søren has been a member of the Board of Directors since 2024. Søren is considered independent of both the Company and its major shareholders. Søren has no ties with the Company´s main customers or competitors.

As of 31 December 2025, Søren holds 4,999,999 shares in the Company through his holding company, Mithel Invest ApS.

### Ásthildur Otharsdóttir (58), Vice- Chairman of the Board of Directors

Ásthildur holds an MBA degree from Rotterdam School of Management in the Netherlands as well as a Bachelor of Business Administration degree from the University of Iceland. Ásthildur is a partner at Frumtak Ventures. She is the Chairman of the board of 50skills, Alda, Ankeri, Euler, Plaio and Treble Technologies.

Ásthildur has been a member of the Board of Directors of the Company since 2021, is a former Chairman and current Vice-Chairman. Ásthildur is considered independent of both the Company and its major shareholders. Ásthildur has no ties with the Company´s main customers or competitors.

Frumtak Ventures is the manager of Frumtak 2 slhf. venture fund which, as of 31 December 2025, holds 57,697,334 shares in the Company.

### Magnús Magnússon (47), member of the Board of Directors

Magnús holds a degree in Business Administration from the University of Iceland and is a licensed securities broker in Iceland. With over 20 years of experience in the financial sector, he began his career in private wealth management at Íslandsbanki, advising high-net-worth individuals and institutional clients. In 2013 he established his private investment company Orbis Investment ehf. and since 2015 Magnús has also been the managing partner and co-owner of E3 ehf. and SIO ehf., two Icelandic investment companies focused on value-driven opportunities. He was the founder and chairman of Heimavellir hf., where he led the strategic growth of the company into Iceland’s largest residential rental platform. Magnús currently serves as chairman of City Leisure Group AG, a Swiss-based leisure investment company with a portfolio spanning Berlin, Vienna, and Hamburg. He is also a board member of Payrexx AG, a Swiss payment solutions provider serving SMEs.

Magnús has been a member of the Board of Directors of the Company since 2025. Magnús is considered independent of the Company and its major shareholders. Magnús has no ties with the Company´s main customers or competitors.

As of 31 December 2025, Magnús controls 31,697,052 shares in the Company through indirect holdings in E3 ehf., Sio ehf., BBL 160 ehf., Kaldakif ehf. and AK22 ehf.

### Michele Holcomb (58), member of the Board of Directors

Michele has a B.S. in Chemistry from Stanford University and a Ph.D. in Chemistry from the University of California, Berkeley. Michele was most recently the former Executive Vice President, Chief Strategy and Business Development Officer at Cardinal Health, a global, integrated healthcare services and products company. Her areas of focus included defining core strategies, leading M&A and integration, innovating new business areas, driving the enterprise approach to innovation, and analyzing disruptive challenges and opportunities. Prior to Cardinal Health Michele was the Chief Operating Officer of Global R&D and SVP of Strategy, Portfolio, Search and Partnerships at Teva Pharmaceuticals. She joined Teva in 2010 as the VP of Corporate Strategy. Prior to Teva, Michele was a Partner in the Global Pharmaceutical Practice at McKinsey & Company where she served top 10 global pharmaceutical companies, high-growth biotechs and mid-cap pharmaceutical companies, across strategy, business development, R&D and commercialization. Michele is a board member of Kimball Electronics, Compugen and PureTech Health.

Michele has been a member of the Board of Directors of the Company since 2025. Michele is considered independent of the Company and its major shareholders. Michele has no ties with the Company´s main customers or competitors.

As of 31 December 2025, Michele does not hold or control shares in the Company.

# Corporate Governance Statement, contd.:

### Steve Van Kuiken (63), member of the Board of Directors

Steve has a B.A. in Economics and History from Hope College. Steve is a Senior Partner Emeritus of McKinsey & Company. Over his long career at McKinsey, Steve founded and led the firm’s healthcare technology practice and later founded and built their technology transformation practice, McKinsey Technology, a fast-growing $2B global business. He was also a long-time leader in the Life Sciences practice, serving large, global pharmaceutical and medical product organizations. Prior to McKinsey, Steve was Vice-President of IT at Baxter Healthcare and Senior Manager at Andersen Consulting. Steve is a board member in CitiusTech, Qualifyze and Exos Bioscience.

Steve has been a member of the Board of Directors of the Company since 2023 and is considered independent of the Company and its major shareholders. Steve has no ties with the Company´s main customers or competitors.

As of 31 December 2025, Steve owns directly and is a beneficiary of 6,125,100 shares in the Company.

The Board of Directors held 11 meetings during the financial year, with average attendance rate of 96% amongst its members. Matters addressed by the Board during the year included strategy, financial performance, risk management and oversight of the Company’s operations.

The Board of Directors regularly reviews its working methods, composition and effectiveness through board-only sessions held without the presence of management. Through these discussions, the Board conducts an ongoing assessment of its performance and the effectiveness of its governance practices.

## Executive Team of the Company

The governance structure of the Company comprises the Board of Directors and the Executive Team, led by the Co-CEOs, each with distinct roles and responsibilities. The Executive Team is responsible for the daily management and operational execution of the Company’s strategy, in accordance with the strategy and policies determined by the Board of Directors.

During the year there was a temporary overlap between the Board of Directors and the Executive Team following the appointment of Board member Trausti Þórmundsson as Co-CEO of the Company in November 2024. Trausti Þórmundsson stepped down from the Board of Directors at the Annual General Meeting of the Company held in May 2025.

Subsequent to year end, Trausti Þórmundsson stepped down as Co-Chief Executive Officer in March 2026, following which Gísli Herjólfsson continues as Chief Executive Officer, as further described in the Board of Directors’ Report.

### Gísli Herjólfsson (47), Co-CEO

Gísli has served as Chief Executive Officer since co-founding the Company in 2007 and has served as Co-Chief Executive Officer since November 2024. He holds a master's degree in electrical engineering from the University of Iceland. Gísli is a member of the board of directors of several subsidiaries of the Company but does not hold any external directorships. As of 31 December 2025, Gísli held options to purchase up to 3,375,000 A-shares.

### Trausti Þórmundsson (55), Co-CEO

Trausti has served as Co-Chief Executive Officer of the Company since November 2024. He holds a M.Sc. degree in Electrical Engineering from Stanford University and a B.Sc. degree in Electrical Engineering from the University of Iceland. He has more than 20 years of experience in technology leadership roles, including leading advanced research and engineering teams in the semiconductor industry, and previously served as Director of Hardware Engineering at Google. Trausti is a member of the board of directors of Treble Technologies but does not hold any other external directorships. As of 31 December 2025, Trausti held 9,228,300 shares in the Company through direct ownership.

The Co-CEOs are responsible for the day-to-day management and oversight of the operations of the Company, ensuring alignment with the policies and directives set by the Board of Directors. Together, they are accountable for the overall performance of the Executive Team.

The Co-CEOs are responsible for ensuring that the Company’s financial accounts comply with all applicable laws and regulations and for safeguarding the Company’s assets through appropriate internal controls and management practices.

# Corporate Governance Statement, contd.:

## Executive Team

At year end 2025, the Executive Team of the Company consisted of the following members:

• Gísli Herjólfsson, Co-Founder, Co-Chief Executive Officer (Co-CEO)
• Trausti Þórmundsson,Co-Founder, Co-Chief Executive Officer (Co-CEO)
• Ásgeir Örn Ásgeirsson, Chief Technology Officer (CTO)
• Guðmundur Árnason, Chief Financial Officer (CFO)
• Anna Karlsdóttir, Chief Quality Officer (CQO) & Head of HR
• Carsten Lutzhøft, Chief Commerical Officer (CCO)
• Áslaug S Hafsteinsdóttir, Chief Operational Officer (COO)

Further information on the Company's Executive Team is available on the Company´s website https://www.controlant.com/leadership-team.

## Internal controls and risk management

The Company's objective is to ensure that internal controls and risk management processes are designed and implemented effectively. Internal control and risk management are essential in protecting the Company's assets, ensuring accurate financial reporting and achieving the Company's strategic goals. The Board of Directors maintains an ongoing dialogue with the Co-CEOs to identify, describe and manage significant financial and operational risks, as further outlined in the notes to the consolidated financial statements.

To ensure that the Company's accounting is applied in accordance with international accounting standards, the Company emphasizes clearly defined responsibilities, appropriate segregation of duties, along with monthly reporting and established internal control procedures. Standard operating procedures and work instructions are in place to ensure proper monitoring of revenue recognition and operating costs. Risk management is reviewed and assessed on an annual basis by the Company's Quality team and Chief Financial Officer with the aim of identifying, assessing and mitigating key risks. All employees of the Company are required to complete training regarding their operating procedures and applicable policies and procedures.

Monthly reporting is submitted to the Board of Directors.

## Internal controls and financial risk management

The Chief Financial Officer (CFO) is responsible for ensuring that the Company's financial processes are followed and that reporting is transparent, accurate, and compliant with applicable accounting standards, laws, and regulations. The CFO reports to the Co-CEOs.

## External audit

An independent auditing firm is appointed annually at the Annual General Meeting (AGM). The external auditor examines the consolidated financial statements in accordance with generally accepted auditing standards and inspects accounting records and other materials relating to the Company's operations and financial position and expresses an opinion on the financial statements. The external auditor reports any significant findings relating to accounting matters and internal control deficiencies to the Board of Directors.

KPMG ehf. was elected as auditor of the Company at the AGM held on 5 May 2025. KPMG has audited and issued an audit opinion on the Company's 2025 consolidated financial statements.

# Corporate Governance Statement, contd.:

## Diversity

The Company has established policies and principles related to equality, diversity, and inclusion, including equal opportunity and equal pay. The Company´s policy ensures equal opportunities, fair advancement and remuneration, emphasizing the importance of treating all individuals equally regardless of gender, race, ancestry, ethnic origin, color, religion, marital status, sexual orientation, age, physical or mental disability, pregnancy or childbirth. Harassment, violence, and bullying are not tolerated. The policy is prepared in accordance with Icelandic Act No. 150/2020 on the Equal Position and Equal Rights of Women and Men. Controlant is certified as an equal-pay employer in Iceland.

The Board follows the provisions on gender equality set out in the Icelandic Companies Act No. 2/1995, and gender diversity within the Board of Directors was at 40% at year end 2025.

| Gender diversity (female/male ratio) | 2025 | 2024 | 2023 |
|---|---|---|---|
| Board of Directors | 40/60 | 40/60 | 40/60 |
| Executive Team | 29/71 | 23/77 | 38/62 |
| Overall Organization | 40/60 | 41/59 | 42/58 |

## Communication between shareholders and the Board of Directors

Shareholder meetings, as governed by the Company's Articles of Association and statutory law, serve as the highest authority within the Company and form the primary means of communication between shareholders and the Board of Directors. The Annual General Meeting (AGM) shall, in accordance with the Articles of Association, be held before the end of August each year, and other shareholder meetings are convened as deemed necessary.

Shareholder meetings, including the AGM, are convened in accordance with the Company's Articles of Association, by electronic notice to the shareholders. The AGM is called at least 14 days in advance and extraordinary meetings at least 7 days in advance. The Chairman acts as the authorized spokesperson of the Board of Directors.

In addition to shareholder meetings, the Company maintains regular communication with shareholders through written shareholder letters and other investor communications.

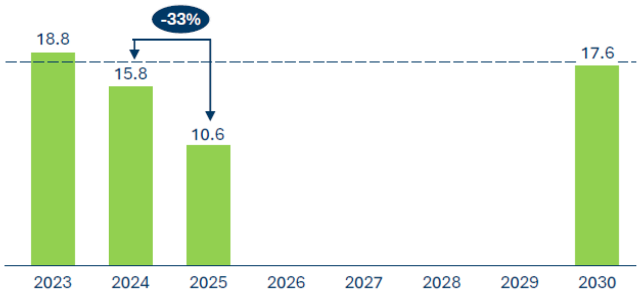
## Compliance with laws and regulations

The Company is not aware of any material breaches of applicable laws or regulations. Legal disputes that may arise in the normal course of business are managed and monitored by the Company.

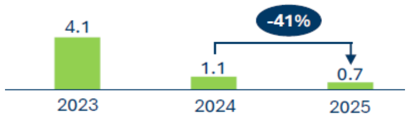
The Board of Directors reviews and approves annually the Corporate Governance Statement. This Corporate Governance Statement was reviewed and approved at a meeting of the Board of Directors on the [xx] April 2026.

# Controlant's Sustainability Highlights 2025

**Controlant reduced Scope 1+2 emissions in 2025 by 33%, suggesting continued alignment with the 2030 science-based target.**




**Controlant has reduced Scope 3 emissions in 2025 by 41%**




| Scope 1 and 2 absolute emission reduction | Measure and reduce scope 3 emissions | Carbon intensity to revenue lowered by | Share of renewable energy |
|---|---|---|---|
| **33%** | **41%** | **25%** | **93%** |

| | | | |
|---|---|---|---|
| 22-75<br>Age range | 29<br>Nationalities | 40%<br>Female representation among total workforce | 44%<br>People leaders´ positions held by women |
| 90%<br>Renewable electricity | 89% Employee participation Great Place To Work | Great Place To Work certification in Poland | Strong ESG rating performance |
| Rolled out employee training budget | 0.9% Adjusted pay difference, below the 2.0% target | >10 Employee driven Controlant Clubs | ISO 9001, ISO 27001, SOC 2 and Equal Pay certifications |

# NASDAQ ESG Indicator

| | Nasdaq ESG indicator* | | Unit | 2025 | 2024 |
|---|---|---|---|---|---|
| Environmental Indicators | **E1.** | **Total GHG Emissions** | tonnes $CO_2$ eq | **671.7** | **1,142.6** |
| | E1.1 | Total amount, in CO2 equivalents, for Scope 1 | tonnes $CO_2$ eq | 0.7 | 1.0 |
| | E1.2 | Total amount, in CO2 equivalents, for Scope 2 (location-based) | tonnes $CO_2$ eq | 21.1 | 32.9 |
| | E1.2 | Total amount, in CO2 equivalents, for Scope 2 (market-based) | tonnes $CO_2$ eq | 9.9 | 14.8 |
| | | Total amount, in CO2 equivalents, for Scope 1 and Scope 2 (market-based) | tonnes $CO_2$ eq | **10.6** | **15.8** |
| | E1.3 | Total amount, in CO2 equivalents, for Scope 3 | tonnes $CO_2$ eq | **661.1** | **1,126.8** |
| | | of which is Cat. 1 - purchased goods & services | tonnes $CO_2$ eq | 259.4 | 489.5 |
| | | of which is Cat. 2 - capital goods | tonnes $CO_2$ eq | 0.0 | 0.0 |
| | | of which is Cat. 3 - fuel and energy-related activities | tonnes $CO_2$ eq | 4.9 | 7.6 |
| | | of which is Cat. 4 - upstream transportation | tonnes $CO_2$ eq | 0.0 | 0.2 |
| | | of which is Cat. 5 - waste generated in operations | tonnes $CO_2$ eq | 9.7 | 13.3 |
| | | of which is Cat. 6 - business travel | tonnes $CO_2$ eq | 240.1 | 449.6 |
| | | of which is Cat. 7 - employee commuting | tonnes $CO_2$ eq | 122.5 | 124.9 |
| | | of which is Cat. 8 - upstream leased assets | tonnes $CO_2$ eq | 24.5 | 38.3 |
| | | of which is Cat. 9 - downstream transportation and distribution | tonnes $CO_2$ eq | 0.0 | 3.6 |
| | **E2.** | **Emissions Intensity** | | | |
| | E2.1 | Total GhG emissions relative to revenues | tonnes $CO_2$ eq per USD 1m revenues | 11.4 | 14.2 |
| | E2.2 | Total GhG emissions relative to employees | tonnes $CO_2$ eq per FTE | 2.9 | 4.9 |
| | E2.3 | Total GhG emissions relative to square meters | kg $CO_2$ eq per $m^2$ | 126.9 | 137.8 |
| | **E3.** | **Energy Consumption** | | | |
| | E3.1 | Total amount of energy directly consumed | MWh | 1,830.4 | 2,860.3 |
| | E3.2 | Total amount of energy indirectly consumed | 1,000 tonnes | - | - |
| | **E4.** | **Energy Intensity** | | | |
| | E4.1 | Total direct energy usage per output scaling factor | MWh per USD 1m revenues | 31.0 | 35.5 |
| | **E5.** | **Energy Mix** | | | |
| | E5.1 | Percentage: Electricity usage by generation type | % of renewable electricity | 90.2 | 90.4 |
| | E5.2 | Percentage: Energy usage by generation type | % of renewable energy | 92.5 | 92.6 |
| | **E6.** | **Water Usage** | | | |
| | E6.1 | Total amount of water consumed | 1,000 $m^3$ | - | - |
| | **E7.** | **Environmental Operations** | | | |
| | E7.1 | Does your company follow a formal Environmental Policy? | Yes/No | Yes | Yes |
| | E7.2 | Does your company follow specific waste, water, energy, and/or recycling polices? | Yes/No | Yes | Yes |
| | E7.3 | Does your company use a recognized energy management system? | Yes/No | No | No |
| | **E8.** | **Climate Oversight / Board** | | | |
| | | Does your Board of Directors oversee and/or manage climate-related risks? | Yes/No | Yes | Yes |
| | **E9.** | **Climate Oversight / Management** | | | |
| | | Does your Senior Management Team oversee and/or manage climate-related risks? | Yes/No | Yes | Yes |
| | **E10.** | **Climate Risk Mitigation** | | | |
| | | Total amount invested in climate-related product development | % of revenue | 22% | 26% |
| Social Indicators | **S1.** | **CEO Pay Ratio** | | | |
| | S1.1 | CEO total compensation to monthly median FTE total compensation (includes two Co-CEOs) | % | 8.0:1 | 4.5:1 |
| | S1.2 | Does your company report this metric in regulatory filings? | Yes/No | No | No |
| | **S2.** | **Gender Pay Ratio** | | | |
| | | Gender pay gap in favor of men (Iceland only, conducted by auditor BSI) | % | 0.9 | 2.5 |
| | **S3.** | **Employee Turnover** | | | |
| | S3.1 | Year-over-year change for full-time employees | % | 45 | 46 |
| | S3.2 | Voluntary turnover ratio | % | 12 | 20 |
| | **S4.** | **Gender Diversity** | | | |
| | S4.1 | Total enterprise headcount held by women and men | % | 41/59 | 41/59 |
| | S4.2 | Executive-level positions held by women and men | % | 29/71 | 23/77 |
| | S4.3 | Senior leadership (SVP, VP) positions held be women and men | % | 44/56 | 39/61 |
| | S4.4 | People leaders (Managers) positions held by women and men | % | 44/56 | 46/54 |
| | **S5.** | **Temporary Worker Ratio** | | | |
| | S5.1 | Total enterprise headcount held by part-time employees | % | 2.6 | 2.0 |
| | S5.2 | Total contingent workers | % | 6.4 | 6.3 |
| | **S6.** | **Non-Discrimination** | | | |
| | | Does your company follow a sexual harassment and/or non-discrimination policy? | Yes/No | Yes | Yes |
| | **S7.** | **Injury Rate** | | | |
| | | Frequency of injury events relative to total workforce time | TRIR | 0 | 0.7 |
| | **S8.** | **Global Health & Safety** | | | |
| | | Does your company follow an occupational health and/or global health & safety policy? | Yes/No | Yes | Yes |
| | **S9.** | **Child & Forced Labor** | | | |
| | S9.1 | Does your company follow a child and/or forced labor policy? | Yes/No | Yes | Yes |
| | S9.2 | If yes, does your child and/or forced labor policy cover suppliers and vendors? | Yes/No | Yes | Yes |
| | **S10.** | **Human Rights** | | | |
| | S10.1 | Does your company follow a human rights policy? | Yes/No | Yes | Yes |
| | S10.2 | If yes, does your human rights policy cover suppliers and vendors? | Yes/No | Yes | Yes |
| Corporate governance Indicators | **G1.** | **Board Diversity** | | | |
| | G1.1 | Total board seats occupied by women and men | % | 40/60 | 40/60 |
| | G1.2 | Committee chairs occupied by women and men | % | - | - |
| | **G2.** | **Board Independence** | | | |
| | G2.1 | Does company prohibit CEO from serving as board chair? | Yes/No | Yes | Yes |
| | G2.2 | Total board seats occupied by independents | % | 80 | 80 |
| | **G3.** | **Incentivized Pay** | | | |
| | | Are executives formally incentivized to perform on sustainability? | Yes/No | No | No |
| | **G4.** | **Collective Bargaining** | | | |
| | | Total enterprise headcount covered by collective bargaining agreement(s) | % | 64 | 74 |
| | **G5.** | **Supplier Code of Conduct** | | | |
| | G5.1 | Are your vendors or suppliers required to follow a Code of Conduct? | Yes/No | Yes | Yes |
| | G5.2 | If yes, what percentage of your suppliers have formally certified their compliance with the code? | % | - | - |
| | **G6.** | **Ethics & Anti-Corruption** | | | |
| | G6.1 | Does your company follow an Ethics and/or Anti-Corruption policy? | Yes/No | Yes | Yes |
| | G6.2 | If yes, what percentage of your workforce has formally certified its compliance with the policy? | % | 93 | 93 |
| | **G7.** | **Data Privacy** | | | |
| | G7.1 | Does your company follow a Data Privacy policy? | Yes/No | Yes | Yes |
| | G7.2 | Has your company taken steps to comply with GDPR rules? | Yes/No | Yes | Yes |
| | **G8.** | **ESG Reporting** | | | |
| | G8.1 | Does your company publish a sustainability report? | Yes/No | Yes | Yes |
| | G8.2 | Is sustainability data included in your regulatory filings? | Yes/No | Yes | Yes |
| | **G9.** | **Disclosure Practices** | | | |
| | G9.1 | Does your company provide sustainability data to sustainability reporting frameworks? | Yes/No | Yes | Yes |
| | G9.2 | Does your company focus on specific UN Sustainable Development Goals? | Yes/No | Yes: 3, 4, 9, 13 | Yes: 3, 4, 9, 13 |
| | G9.3 | Does your company set targets and report progress on the UN SDGs? | Yes/No | Yes | Yes |
| | **G10.** | **External Assurance** | | | |
| | G10.1 | Are your sustainability disclosures assured or validated by a third party? | Yes/No | No | No |

* Figures are unaudited and prepared on a best efforts basis in line with the 2025 Explanatory Note.

# EU Taxonomy

This is the third EU Taxonomy disclosure by Controlant. The EU Taxonomy is a classification system to identify environmentally sustainable economic activities. Environmentally sustainable economic activities are described as those which make a substantial contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum safeguards.

In accordance with Article 8 of Regulation 2020/852 of the European Parliament and the Council, and Delegated Regulation 2021/2178 of the European Commission, Controlant reports its contribution to the European Union's environmental objectives related to climate change mitigation and climate change adaptation.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation and uncertainties. Starting from 2023, Controlant reports the shares of turnover, capital expenditure (capex), and operating expenditure (opex) that are aligned with the taxonomy, in addition to the shares that are eligible under the taxonomy.

Controlant continues to apply the precautionary principle to determine applicable eligible activities in line with its 2025 Explanatory Note. Controlant's reporting approach will be reviewed going forward and expanded accordingly, which may impact the taxonomy KPIs reported for earlier periods.

Approximately 50% of Controlant's economic activities from a turnover, 100% from a capital expenditure-, and 52% from an operational expenditure perspective are taxonomy-eligible, while they do not meet the stringent taxonomy technical screening criteria, to be considered environmentally sustainable.

Controlant's process for determining taxonomy-eligible activities (the nominator of the taxonomy KPIs) has followed the following approach:

## Defining the eligible activities and assessing for taxonomy alignment

Taxonomy-eligible economic activities are considered environmentally sustainable and aligned if they significantly contribute to one of the six EU environmental objectives, without causing significant harm to other environmental objectives known as the do-no-significant-harm criteria.

### The six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Eligibility does not determine whether an economic activity is sustainable, but rather whether Controlant's taxonomy eligible economic activities meet the technical requirements of the taxonomy, as summarized in the following table.

# EU Taxonomy, contd.:

## Controlant's Taxonomy-eligible activities

| NACE | Sector | Activity Number | Contribution Type |
|---|---|---|---|
| J62, J63.11 | Information and communication | 8.2 | Enabling |
| Description | | | Substantial contribution assessment |
| **Development or use of ICT solutions** that are aimed at collecting, transmitting, storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions. The economic activity covers computer programming, consultancy and related activities and data processing, hosting, and related activities. | | | Controlant's solutions are predominantly used for the provision of data and analytics enabling GHG emission reductions for its customers, fully in line with Controlant's zero-waste vision. Controlant's solution demonstrates substantial life-cycle GHG emission savings compared to the best performing alternative solution.<br>In 2023 Controlant conducted an internal life-cycle assessment on the Saga Logger according to ISO14040 and 14044 standards, assessing a range of environmental impacts, from Global Warming Potential to Terrestrial Ecotoxicity, ensuring a holistic assessment. While not third party verified Controlant utilized the third-party ISO-standard modelling tool Ecochain and the Ecoinvent database to ensure data accuracy and credibility in its calculations. Controlant's product environmental report for the Saga Logger is publicly accessible. In 2024 Vodafone and Controlant worked together with independent consultancy the Carbon Trust on a case study on avoided emissions, with the results of the study publicly available on Controlant's and Vodafone's websites.<br>As Controlant's life-cycle assessment is not third-party audited, the stringent technical screening criteria to be considered environmentally sustainable are not met. |

| NACE | Sector | Activity Number | Contribution Type |
|---|---|---|---|
| C27 | Services | 5.5 | Enabling |
| Description | | | Substantial contribution assessment |
| **Product-as-a-service and other circular use- and result-oriented service models**.<br>Providing customers with access to products through service models, which are either use-oriented services, where the product is still central, but its ownership remains with the provider and the product is rented; or result-oriented, where the payment is pre-defined and the agreed result (i.e., pay per service unit) is delivered.<br>The economic activity covers products that are manufactured by economic activities classified under the NACE codes C27 Manufacture of electrical equipment. | | | Controlant's cold chain as a service model enables a circular economy. Controlant provides its customers with access to, and use of products, while the ownership remains with Controlant, providing this service. The contractual terms and conditions ensure that all the following sub-criteria are met: there is an obligation for Controlant to take back the used product at the end of the contractual agreement; there is an obligation for the customer to give back the used product at the end of the contractual agreement; Controlant remains owner of the product; the customer pays for access to and use of the product, or the result of access to and use of this product. Furthermore, the activity leads to an extended lifespan or increased use intensity of the product in practice. |

# EU Taxonomy, contd.:

## Classifying for no significant harm and meeting minimum safeguards

Moreover, Controlant assessed that its economic activity does ´no significant harm´ (DNSH) to the remaining environmental objectives.

Controlant adheres to the necessary frameworks for minimum safeguards, encompassing respect for human rights, social and labor standards, anticorruption measures, fair competition, and taxation across all activities, and is built into the value chain. Controlant's internal controls, risk management framework, and employee training equip the organization to prevent, mitigate, and remediate adverse impacts.

Controlant supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption and discloses through the annual Communication on Progress which is accessible to all our stakeholders (https://unglobalcompact.org/what-is-gc/participants/151101-Controlant). Those principles are embedded throughout the operation of the organization, from the code of conduct- to specific policies such as the procurement policy, to standard operating procedures, supplier assessments, and internal audits.

All employees receive regular mandatory training that includes topics such as anti-bribery and corruption. As described in Controlant's 2025 Corporate Governance Statement, the co-CEOs are responsible for overseeing the daily operations of the Company, ensuring alignment with the policies. Activities around anti-bribery and corruption, competition, and taxation are addressed in collaboration with Controlant's Legal and Finance teams. Oftentimes Controlant's customers address these safeguards through their code of conduct and business contracts with Controlant that the organization adheres to.

Controlant's governance framework and aligned global processes ensure that Controlant upholds and meets the requirements under the minimum safeguards. For further details please see Controlant's Nasdaq ESG disclosure (particularly S6, S8, S9, S10, G7, and G9 covering aspects of human rights; section G6 covering anti-bribery and corruption); Controlant's 2025 Corporate Governance Statement describing internal controls and responsibilities, and the notes to the 2025 Financial Statements on taxation.

## Taxonomy KPI reporting

Controlant is disclosing the proportion of its turnover, capital and operating expenditures (CapEx and OpEx) for the combined economic activities that are taxonomy-eligible and taxonomy-aligned to avoid double counting.

The taxonomy KPIs have been calculated as follows:
- taxonomy turnover KPI = Eligible revenue/Total turnover
- taxonomy CAPEX KPI (additions) = Eligible CAPEX/Total CAPEX
- taxonomy OPEX KPI = Eligible OPEX/Total OPEX

## Explanatory note

### Reporting principles

Transparency is one of Controlant's core values. For the 2025 reporting year, the company implemented changes to internal data collections and reporting processes. As a result, the environmental data presented—particularly Scope 1, 2, and 3 greenhouse gas (GHG) emissions—should be regarded as indicative only and has not been independently verified. The information has been prepared using a higher degree of estimation and approximation than in prior year. Certain environmental metrics are based on internal data sources and reasonable estimates where complete data was not available. As data collection methodologies and reporting systems continue to evolve, certain metrics may be subject to future revision. While Controlant continues to apply an operational control approach and seeks alignment with frameworks such as the GHG Protocol, the United Nations Global Compact, and Nasdaq's ESG Reporting Guide 2.0, strict adherence was not fully feasible in 2025. Accordingly, the 2025 ESG report should be interpreted as a good-faith disclosure prepared using the available data and estimation methods applicable for the reporting year. Controlant's ESG reporting reflects the Company's financial reporting period, from January to December.

# EU Taxonomy, contd.:

## Environmental performance

### Operational control approach

Controlant's environmental information is prepared using the operational control methodology. The business activities performed across these locations are grouped into offices and service centers.

### Absolute $CO_2$ reduction

Controlant reports on absolute CO2 emissions reductions, with 2022 as the base year, in accordance with the Science Based Targets initiative. Controlant commits to reducing absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 42% by 2030, rom a 2022 base year, and to measure and reduce Scope 3 emissions across its value chain.

Scope 1: Direct emissions from Controlant's activities, including fugitive emissions (refrigerants) and emissions from operating company cars with internal combustion engines.
Scope 2: Indirect emissions from Controlant's activities.
Scope 3:Indirect emissions from Controlant's value chain, including the following nine categories:
Category 1: Purchased goods and services such as IT equipment, office furniture, IoT devices, and batteries for increased lifetime of the loggers.
Category 2: Capital goods such as cooling/calibration machines for Controlant's services centers.
Category 3: Fuel and energy-related activities such as indirect emissions from the production of fuels and energy purchased and consumed by Controlant, not included in Scope 1 and 2.
Category 4: Upstream transportation from shipping IoT devices to Controlant's service centers.
Category 5: Waste generated in own operations such as offices and service centers.
Category 6: Business travel includes emissions from business flights.
Category 7: Employee commute emissions calculated from a bi-annual employee survey.
Category 8: Upstream leased assets associated with the heating of Controlant's rented properties with no direct control over the energy usage.
Category 9: Downstream transportation and distribution of IoT devices from Controlant's service centers to customers.

### Renewable energy

Includes hydropower and geothermal energy in Iceland for electricity and heating, while a mix of hydropower, solar, wind, and biomass energy sources is used in in other European operating locations.

## Social performance

### Headcount

Defined as all employees with an employment contract with Controlant and on payroll at year-end. Employees excluded from this metric include individuals on unpaid leave (except parental leave) and contractors.

### FTE

Defined as full-time-equivalent employees at year-end, excluding contractors..

### Injury rate

Total recordable incident rate (TRIR) based on number of reported work-related accidents.

| Financial year 2025 | | | | Substantial Contribution Criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities | Codes | Turnover | Proportion of Turnover | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity and ecosystems | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | Taxonomy aligned (A.1) or - eligible (A.2) proportion of total turnover, year 2024 | Category (enabling activity) | Category (transitional activity) |
| *Text* | | *USD* | *%* | *N, N/E* | *N, N/E* | *N, N/E* | *N, N/E* | *N, N/E* | *N, N/E* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Turnover of environmentally sustainable activities (taxonomy aligned) | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N | N | N | N | N | N | N | 0% | | |
| Of which enabling | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N | N | N | N | N | N | N | 0% | E | |
| Of which transitional | | 0 | 0% | | | | | | | N | N | N | N | N | N | N | 0% | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **N** | **N** | **N** | **N** | **N** | **N** | **N** | **0%** | | |
| **A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| **Product-as-a-service and other circular use- and result-oriented service models** | 5.5 | 31,377,412 | 50% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 29% | | |
| **Total (A.1+A.2)** | | **31,377,412** | **50%** | 50% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 29% | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomy-non-eligible activities** | | **31,998,594** | **50%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **63,376,006** | **100%** | | | | | | | | | | | | | | | | |

***Y - Yes, N - No, EL - eligible, N/EL - Non-eligble**

| Financial year 2025 | | | | Substantial Contribution Criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities | Codes | CapEx | Proportion of CapEx | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity and ecosystems | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | Taxonomy aligned (A.1) or - eligible (A.2) proportion of total CapEx, year 2024 | Category (enabling activity) | Category (transitional activity) |
| *Text* | | *USD* | *%* | *;N, N/E* | *N, N/E* | *N, N/E* | *N, N/E* | *N, N/E* | *N, N/E* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| CapEx of environmentally sustainable activities (taxonomy aligned) | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N | N | N | N | N | N | N | 0% | | |
| Of which enabling | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N | N | N | N | N | N | N | 0% | E | |
| Of which transitional | | 0 | 0% | | | | | | | N | N | N | N | N | N | N | 0% | | |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **N** | **N** | **N** | **N** | **N** | **N** | **N** | **0%** | | |
| **A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| **Data-driven solutions for GHG emissions reductions** | 8.2 | 12,972,496 | 100% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 100% | | |
| **Total (A.1+A.2)** | | **12,972,496** | **100%** | 100% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 100% | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy-non-eligible activities** | | **0** | **0%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **12,972,496** | **100%** | | | | | | | | | | | | | | | | |

***Y - Yes, N - No, EL - eligible, N/EL - Non-eligble**

| Financial year 2025 | | | | Substantial Contribution Criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activities | Codes | OpEx | Proportion of OpEx | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity and ecosystems | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | Taxonomy aligned (A.1) or - eligible (A.2) proportion of total OpEx, year 2024 | Category (enabling activity) | Category (transitional activity) |
| *Text* | | *USD* | *%* | *Y,N, N/EL* | *N, N/E* | *N, N/E* | *N, N/E* | *N, N/E* | *N, N/E* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *Y/N* | *%* | *E* | *T* |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| OpEx of environmentally sustainable activities (taxonomy aligned) | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N | N | N | N | N | N | N | 0% | | |
| Of which enabling | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | N | N | N | N | N | N | N | 0% | E | |
| Of which transitional | | 0 | 0% | | | | | | | N | N | N | N | N | N | N | 0% | | |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **N** | **N** | **N** | **N** | **N** | **N** | **N** | **0%** | | |
| **A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| **Data-driven solutions for GHG emissions reductions** | 8.2 | 19,384,583 | 52% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 47% | | |
| **Total (A.1+A.2)** | | **19,384,583** | **52%** | 52% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 47% | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OpEx of Taxonomy-non-eligible activities** | | **17,607,409** | **48%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **36,991,992** | **100%** | | | | | | | | | | | | | | | | |

***Y - Yes, N - No, EL - eligible, N/EL - Non-eligble**