

AUSTRIAN GEORGIAN DEVELOPMENT LLC

**International Financial Reporting Standards
Financial Statements and
Independent Auditor's Report**

31 December 2025

Contents

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

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Independent Auditor's Report

To the Owners and the Supervisory Board of Austrian Georgian Development LLC

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Austrian Georgian Development LLC (the "Company") as at 31 December 2025, and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements of Law of Georgia on Accounting, Reporting and Auditing that are relevant to audits of financial statements in Georgia and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of Law of Georgia on Accounting, Reporting and Auditing and the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance 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.

PricewaterhouseCoopers Georgia LLC (Reg.# SARAS-F-775813)

Lasha Janelidze (Reg.#SARAS-A-562091)

Tbilisi, Georgia

21 April 2026



We communicate with those charged with governance 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.

PricewaterhouseCoopers Georgia LLC

PricewaterhouseCoopers Georgia LLC (Reg.# SARAS-F-775813)

Lasha Janelidze (Reg.#SARAS/A-562091)

Tbilisi, Georgia

21 April 2026

A handwritten signature in blue ink, consisting of a large, stylized 'L' and 'J' intertwined, with a horizontal line at the bottom.

AUSTRIAN GEORGIAN DEVELOPMENT LLC
Statement of Financial Position

| <i>In thousands of Georgian Lari</i> | Note | 31 December 2025 | 31 December 2024 |
|--------------------------------------|-------------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 54,956 | 56,789 |
| Right-of-use assets | 13 | 611 | 625 |
| Intangible assets | | - | 2 |
| Prepayments for non-current assets | | 40 | 38 |
| Loans issued | | 134 | 139 |
| Total non-current assets | | 55,741 | 57,593 |
| Current assets | | | |
| Inventories | | 45 | 41 |
| Trade and other receivables | 8 | 460 | 403 |
| Cash and cash equivalents | 9 | 3,181 | 1,624 |
| Total current assets | | 3,686 | 2,068 |
| TOTAL ASSETS | | 59,427 | 59,661 |
| EQUITY | | | |
| Subscribed capital | 10 | 27,607 | 27,607 |
| Paid in capital | 10 | 2,515 | 2,515 |
| Accumulated deficit | | (18,312) | (20,370) |
| TOTAL EQUITY | | 11,810 | 9,752 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 11 | 43,483 | 47,958 |
| Lease liabilities | 13 | 602 | 603 |
| Total non-current liabilities | | 44,085 | 48,561 |
| Current liabilities | | | |
| Borrowings | 11 | 3,432 | 1,260 |
| Lease liabilities | 13 | 74 | 74 |
| Trade and other payables | | 26 | 14 |
| Total current liabilities | | 3,532 | 1,348 |
| TOTAL LIABILITIES | | 47,617 | 49,909 |
| TOTAL LIABILITIES AND EQUITY | | 59,427 | 59,661 |

Approved for issue and signed on behalf of Management on 21 April 2026 by:

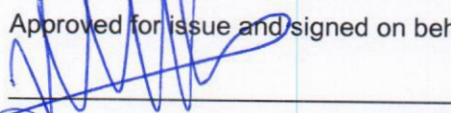
Giorgi Abramishvili
General Director

The accompanying notes on pages 5 to 26 are an integral part of these financial statements.

AUSTRIAN GEORGIAN DEVELOPMENT LLC
Statement of Financial Position

| <i>In thousands of Georgian Lari</i> | Note | 31 December 2025 | 31 December 2024 |
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| TOTAL LIABILITIES AND EQUITY | | 59,427 | 59,661 |

Approved for issue and signed on behalf of Management on 21 April 2026 by:



 Giorgi Abramishvili

General Director

The accompanying notes on pages 5 to 26 are an integral part of these financial statements.

AUSTRIAN GEORGIAN DEVELOPMENT LLC
Statement of Profit or Loss and Other Comprehensive Income

| <i>In thousands of Georgian Lari</i> | Note | 2025 | 2024 |
|---|-------------|--------------|----------------|
| Revenues | 14 | 9,227 | 8,224 |
| Transmission expenses | 14 | (509) | (632) |
| Employee benefits expense | | (709) | (813) |
| Foreign exchange (loss)/gain, net | | (36) | 55 |
| Interest income | | 22 | 74 |
| Other income | | 1 | 179 |
| Other operating expenses | 15 | (1,207) | (1,494) |
| EBITDA | 16 | 6,789 | 5,593 |
| Depreciation and amortisation | | (1,921) | (1,979) |
| Operating profit | | 4,868 | 3,614 |
| Finance costs | 17 | (4,732) | (5,733) |
| Finance income | 17 | - | 703 |
| Foreign exchange (loss)/gain, net on financing activities | 12,17 | 1,922 | (2,036) |
| Profit/(loss) before income tax | | 2,058 | (3,452) |
| Income tax expense | | - | - |
| PROFIT/(LOSS) FOR THE YEAR | | 2,058 | (3,452) |
| Other comprehensive income | | - | - |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | | 2,058 | (3,452) |

The accompanying notes on pages 5 to 26 are an integral part of these financial statements.

AUSTRIAN GEORGIAN DEVELOPMENT LLC
Statement of Changes in Equity

| <i>In thousands of Georgian Lari</i> | Subscribed capital | Paid in capital | Accumulated deficit | Total |
|--|---------------------------|------------------------|----------------------------|----------------|
| Balance at 1 January 2024 | 27,607 | 2,515 | (16,918) | 13,204 |
| Loss for the year | - | - | (3,452) | (3,452) |
| Total comprehensive loss for the year | - | - | (3,452) | (3,452) |
| Balance at 31 December 2024 | 27,607 | 2,515 | (20,370) | 9,752 |
| Profit for the year | - | - | 2,058 | 2,058 |
| Total comprehensive income for the year | - | - | 2,058 | 2,058 |
| Balance at 31 December 2025 | 27,607 | 2,515 | (18,312) | 11,810 |

The accompanying notes on pages 5 to 26 are an integral part of these financial statements.

AUSTRIAN GEORGIAN DEVELOPMENT LLC
Statement of Cash Flows

| <i>In thousands of Georgian Lari</i> | Note | 2025 | 2024 |
|---|-------------|----------------|----------------|
| Cash flows from operating activities | | | |
| Profit/(loss) before income tax | | 2,058 | (3,452) |
| Adjustments for: | | | |
| Depreciation and amortisation | | 1,921 | 1,979 |
| Interest income | | (22) | (74) |
| Finance income | 17 | - | (703) |
| Finance costs | 17 | 4,732 | 5,733 |
| Losses from disposals of property, plant and equipment | | 40 | - |
| Foreign exchange loss/(gain), net | | (1,886) | 1,981 |
| Operating cash flows before working capital changes | | 6,843 | 5,464 |
| (Increase)/decrease in trade and other receivables | | (96) | 323 |
| Increase in inventories | | (4) | (5) |
| Increase/(decrease) in trade and other payables | | 12 | (346) |
| Changes in working capital | | (88) | (28) |
| Net cash from operating activities | | 6,755 | 5,436 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (117) | (495) |
| Proceeds from the sale of property, plant and equipment | | 43 | 346 |
| Interest received | | 22 | 74 |
| Net cash used in investing activities | | (52) | (75) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | 12 | - | 49,896 |
| Repayment of borrowings | 12 | (2,878) | (7,891) |
| Repayment of bonds | 12 | - | (42,768) |
| Interest paid | 12 | (2,240) | (6,896) |
| Other bank service fees paid | | - | (143) |
| Repayment of lease liabilities - principal | 12;13 | (1) | (1) |
| Net cash used in financing activities | | (5,119) | (7,803) |
| Effect of exchange rate changes on cash and cash equivalents, net | | (27) | 63 |
| Net increase/(decrease) in cash and cash equivalents | | 1,557 | (2,379) |
| Cash and cash equivalents at the beginning of the year | 9 | 1,624 | 4,003 |
| Cash and cash equivalents at the end of the year | 9 | 3,181 | 1,624 |

The accompanying notes on pages 5 to 26 are an integral part of these financial statements.

1 General Information

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing for the year ended 31 December 2025 for Austrian Georgian Development LLC (the “Company” or “AGD”).

The Company was incorporated and is domiciled in Georgia. The Company is a limited liability company and was set up by National Agency of Public Registry in accordance with Georgian regulations on 18 June 2013. The Company’s identification number is 404997232.

The following owners owned issued shares of the Company:

| | 31 December 2025 | 31 December 2024 |
|-----------------------------|------------------|------------------|
| CCEH Hydro III LLC | 82% | 82% |
| Geo Hydro Capital Group LLC | 13% | 13% |
| Energy Solutions LLC | 5% | 5% |

CCEH Hydro III LLC is the majority owner of the Company and Caucasus Clean Energy Fund I, L.P. (“CCEF”, the “Fund”) is the ultimate controlling party of the Company. CCEF is a partnership which focuses on providing equity capital to small and medium hydropower plants (“HPP”) in Georgia. The Fund comprises of leading development finance institutions, family offices, and institutional investors. Geo Hydro Capital Group LLC and Energy Solution LLC are local companies owning 13% and 5% of the shares, respectively.

The Fund’s investment, and thus ownership, into its hydropower plants is bundled through holding company, Caucasus Clean Energy Holding Pte Limited (“CCEH”), which is registered in Singapore and wholly owned by the partnership.

Principal activity. The principal business activity of the Company is ownership and operation of Lakhmi hydro power plant (“Lakhmi”) in Georgia. For that purpose, the Company signed the Memorandum of Understanding (“MoU”) with the Government of Georgia on 19 October 2016, further amended on 3 December 2019. Lakhmi cascade consist of two HPPs: the upper stage Lakhmi 1 and the lower stage Lakhmi 2 HPPs. Construction works started in 2018 and successfully completed in 2020. Lakhmi 2 HPP began operations on 19 August 2020, Lakhmi 1 HPP became operational on 17 October 2020. Power Purchase Agreement’ (“PPA”) is signed with Electricity System Commercial Operator (“ESCO”). Under the PPA, during the first 10 years of operation, the Company has the option to sell electricity exclusively to ESCO for 8 months (September-April) at a maximum price of 6.00 US cents/kWh, or to sell electricity to any party in Georgia. Within the framework of MoU, the Company also has the right to export electricity to Turkey during the remaining 4 months (May-August).

Registered address and place of business. The Company’s legal address is #2a Giorgi Leonidze Street, Tbilisi, Georgia. The Company’s operating HPPs are based in Svaneti region, Georgia.

Presentation currency. These financial statements are presented in Georgian Lari (“GEL”), unless otherwise stated.

2 Operating Environment of the Company

The Company’s principal business activities are within Georgia. Georgia displays certain characteristics of an emerging market, including relatively high interest rates, volatility of the foreign exchange rates domestic currency etc. Georgian tax legislation is subject to varying interpretations. The future economic direction of Georgia is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the government, together with tax, legal, regulatory and political developments.

2 Operating Environment of the Company (Continued)

War between Russia and Ukraine. On 24 February 2022, following a significant Russian military build-up near the Russia-Ukraine border, Russian troops crossed the border. The Company has no direct exposure to Ukraine, Russia and Belarus. Management assumes that this will have no discernible impact on the Company's activities. As the war is still waging, it is impossible to reliably assess full impact this may have on the Company as there is uncertainty over the magnitude of the impact on the economy in general. Management is closely monitoring the economic situation in the current environment.

The long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

3 Material Accounting Policies

Basis of preparation. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing, under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The material accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Foreign currency translation. The functional currency of the Company is the currency of the primary economic environment in which the Company operates. The national currency of Georgia is Georgian Lari ("GEL"), which represents the functional currency of the Company and currency in which these financial statements are presented. All financial information presented in GEL has been rounded to the nearest thousands, except when otherwise indicated.

Transactions and balances. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Georgian Lari at the exchange rate prevailing at that date. Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income within 'Foreign exchange gain, net on financing activities'. All other foreign exchange gains and losses are separately presented in the operating results within the statement of profit or loss and other comprehensive income as Foreign exchange gain, net.

At present, Georgian Lari is not a freely convertible currency outside of Georgia.

| | 31 December 2025 | 31 December 2024 |
|---------|-------------------------|-------------------------|
| GEL/USD | 2.6951 | 2.8068 |
| GEL/EUR | 3.1737 | 2.9306 |

Property, plant and equipment. Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

3 Material Accounting Policies (Continued)

The estimated useful lives are as follows:

| | Useful life |
|---|-------------|
| HPP buildings and structures | 40 years |
| Electromechanical and Hydromechanical equipment | 25 years |
| Vehicles | 5 years |
| Machinery and equipment | 5 years |
| Office equipment, fixtures and fittings | 5 years |

Residual values are assessed to be nil.

Right-of-use assets. Under right to build agreements, the Company leases lands on which Lakhmi 1 and Lakhmi 2 HPPs are located.

Assets arising from a lease are initially measured on a present value basis.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the leases. Depreciation on the items of the right-of-use assets is calculated using the straight-line method over the lease term as follows:

| | Depreciation period |
|------|---------------------|
| Land | 39 years |

Financial assets – classification and subsequent measurement – measurement categories. The Company classifies financial assets as measured at AC.

Financial assets – classification and subsequent measurement – business model. The Company manages the assets solely to collect the contractual cash flows (“hold to collect contractual cash flows”).

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC.

Cash and cash equivalents. Cash and cash equivalents include current accounts at banks with original maturities of three months or less.

Trade receivables. Trade receivables are recognised initially at fair value and are subsequently carried at AC using the effective interest method less the loss allowance determined applying the expected credit losses model (for detailed policy in this respect refer to Note 20).

Borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at AC using the effective interest method.

Subscribed capital. The amount of authorized subscribed capital is defined by the Company’s Charter. The changes in the Company’s charter shall be made only based on the decision of the Company’s owners. The authorized capital is recognised as subscribed capital in the equity of the Company to the extent that it was contributed by the owners to the Company. All other cash or in-kind capital contributions, made by the Company’s owners that increased the Company’s capital but were not reflected in the Company’s Charter as at balance sheet date, are recognised as paid-in capital.

3 Material Accounting Policies (Continued)

Revenue recognition.

Revenue is income arising in the course of the Company's ordinary activities.

Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Revenue is shown net of value-added tax and discounts. Revenue from sale of energy is recognised over the period.

Electricity generation and sale

Revenues are recognised based on the actual amount of electricity sold by the Company's power plants.

Electricity sales tariffs are determined based on PPA, local and export agreements signed with legal entities (big consumer, wholesale supplier (trader)).

Sales of electricity are recognised based on readings of metering devices on a monthly basis. These devices installed at connection point of the Company's power plant to the transmission/distribution networks.

A receivable is recognised when electricity is delivered at the connection point of the Company's power plant to the transmission/distribution networks, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Actual volume of electricity transmitted for the accounting period is supported by the delivery/acceptance act of electricity generation and supply. Invoices are issued to customers on a monthly basis.

The actual volume of electricity generated and transmitted for the reporting period is supported by relevant reconciliation reports to be monthly executed and signed with customers based on readings of metering devices. Customers are billed on a monthly basis on the last day of each month, and consideration is payable not later than 25th day of the consecutive month in case of PPA.

Interest income is recognised on a time-proportion basis using the effective interest method.

Income taxes. Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period.

On 13 May 2016, the Government of Georgia enacted the changes in the Tax Code of Georgia whereby companies (other than banks, credit unions, insurance companies, microfinance organizations and pawn shops) do not have to pay income tax on their profit earned since 1 January 2017, until that profit is distributed or deemed distributed in a form of dividend. Income tax at 15% is payable on gross up value (i.e. net dividends shall be grossed up by withholding tax 5%, if applicable, and divided by 0.85) when the dividend payments to individuals or to non-resident legal entities is made. Dividends paid to resident legal entities from the profits earned since 1 January 2017 are tax exempted.

Income tax arising from distribution of dividends is accounted for as an income tax expense in the period in which dividends are declared, regardless of the actual payment date or the period for which the dividends are paid.

In addition to the distribution of dividends, the tax is still payable on expenses or other payments incurred not related to economic activities, free delivery of assets or services and representation costs that exceed the maximum amount determined by the Tax Code of Georgia. All advances paid to entities registered in jurisdictions having preferential tax regime and other certain transactions with such entities as well as loans granted to individuals or non-residents are immediately taxable. Such taxes along with other taxes, net of tax credits claimed on assets or services received in exchange for the advances paid to entities registered in jurisdictions having preferential tax regime or recovery of loans granted to individuals or non-residents, are recorded under Taxes other than on income within operating expenses.

3 Material Accounting Policies (Continued)

Uncertain tax positions. The Company's uncertain tax positions are reassessed by the Management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions are recorded within the income tax charge.

Value added tax. Output Value Added Tax ("VAT") related to sales is payable to the tax authorities at the earlier of (a) collection of receivables from customers, or, (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. Electricity supply is exempted from VAT, unless the electricity is delivered to the final customer.

EBITDA. EBITDA is defined as earnings before interest, income tax, depreciation, and amortization, and foreign exchange (loss)/gain on financing activities. EBITDA is presented as a subtotal on the face of Statement of Profit or Loss and Other Comprehensive Income.

Management believes that the presentation of EBITDA provides reliable and more relevant information. EBITDA focuses on the financial outcome of operating decisions by eliminating the impact of non-operating management decisions, i.e. tax rates, interest expenses. EBITDA is an important financial measure that is used by the stakeholders for business evaluation, management performance evaluation and covenant calculation.

By the definition, EBITDA excludes foreign exchange (loss) / gain on financing activities. Accordingly, the line item of net foreign exchange (loss)/gain, is disaggregated into two separate line items foreign exchange (loss)/gain, net (excluding financing activities) and foreign exchange (loss)/gain, net on financing activities.

Amendment of the financial statements after issue. Any changes to these financial statements after issue require approval of the Company's Management who authorised these financial statements for issue.

4 Information about Key Sources of Estimation, Uncertainty and Judgements

The Company makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

Judgements that have the most significant effect on the amounts recognised in these financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Going concern. Management prepared financial statements on a going concern basis. In making this judgement management considered the Company's financial position, current intentions, future profitability of operations and access to financial resources, and analysed the impact of the macro-economic developments on the operations of the Company. The Company has the required resources to continue the business in the foreseeable future.

Useful lives of property, plant, equipment and intangible assets. The estimation of the useful life of an item of property, plant and equipment is a matter of management judgement based upon experience with similar assets. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates.

4 Information about Key Sources of Estimation, Uncertainty and Judgements (Continued)

Were the estimated useful lives to differ by 5% from management's estimates, the impact on depreciation for the year ended 31 December 2025 would be to increase it by GEL 103 thousand or decrease it by GEL 80 thousand (2024: increase by GEL 87 thousand or decrease by GEL 79 thousand).

Depreciation of right-of-use assets. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of lands the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate) the lease.
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate) the lease.

Discount rates used for determination of lease liabilities. The Company uses its incremental borrowing rate as a base for calculation of the discount rate because the interest rate implicit in the lease cannot be readily determined.

The incremental borrowing rate was determined to be 12.13% which is market interest rate for GEL denominated debt, tailored to the company industry and lease contract terms (currency, maturity, purpose), published by National Bank of Georgia.

A 5% increase or decrease in discount rate at 31 December 2025 would result in a decrease or increase in lease liabilities of GEL 184 thousand and GEL 395 thousand (31 December 2024: GEL 185 thousand and GEL 399 thousand) respectively.

5 Adoption of New or Revised Standards and Interpretations

The following new standards and the amendments became effective from 1 January 2025:

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

The application of the amendments had no significant impact on the Company's financial statements.

6 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2026 or later, and which the Company has not early adopted.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024, then amended on 21 August 2025 and effective for annual periods beginning on or after 1 January 2027).

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025 and effective from 1 January 2027).

IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016).

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).

The Company is currently assessing the impact of the amendments on its financial statements.

AUSTRIAN GEORGIAN DEVELOPMENT LLC
Notes to the Financial Statements – 31 December 2025

7 Property, Plant and Equipment

Movements in the carrying amounts of property, plant and equipment were as follows:

| | HPP buildings and structures | Electromecha nical and hydromechan ical equipment | Construction in progress and unused equipment | Machinery and equipment | Office equipment, fixtures and fittings | Vehicles | Total |
|--------------------------------------|------------------------------------|---|--|-------------------------------|--|------------|---------------|
| <i>In thousands of Georgian Lari</i> | | | | | | | |
| Cost | | | | | | | |
| Balance at 1 January 2024 | 48,441 | 14,882 | 351 | 401 | 289 | 264 | 64,628 |
| Additions | 15 | - | 679 | 12 | 15 | - | 721 |
| Disposals | - | - | - | - | - | - | - |
| Balance at 31 December 2024 | 48,456 | 14,882 | 1,030 | 413 | 304 | 264 | 65,349 |
| Additions | - | - | 17 | 39 | 6 | 53 | 115 |
| Disposal | - | - | - | - | - | (74) | (74) |
| Balance at 31 December 2025 | 48,456 | 14,882 | 1,047 | 452 | 310 | 243 | 65,390 |
| Accumulated depreciation | | | | | | | |
| Balance at 1 January 2024 | 4,000 | 1,964 | - | 256 | 213 | 163 | 6,596 |
| Charge for the year | 1,215 | 597 | - | 63 | 39 | 50 | 1,964 |
| Balance at 31 December 2024 | 5,215 | 2,561 | - | 319 | 252 | 213 | 8,560 |
| Charge for the year | 1,212 | 595 | - | 27 | 27 | 43 | 1,904 |
| Eliminated at disposal | - | - | - | - | - | (30) | (30) |
| Balance at 31 December 2025 | 6,427 | 3,156 | - | 346 | 279 | 226 | 10,434 |
| Carrying values | | | | | | | |
| At 1 January 2024 | 44,441 | 12,918 | 351 | 145 | 76 | 101 | 58,032 |
| At 31 December 2024 | 43,241 | 12,321 | 1,030 | 94 | 52 | 51 | 56,789 |
| At 31 December 2025 | 42,029 | 11,726 | 1,047 | 106 | 31 | 17 | 54,956 |

Construction in progress relates to the rehabilitation works of Khudoni substation.

Refer to Note 18 for the details of the pledged assets.

8 Trade and Other Receivables

| <i>In thousands of Georgian Lari</i> | 31 December 2025 | 31 December 2024 |
|--|-------------------------|-------------------------|
| Trade receivables | 347 | 284 |
| Other receivables | 198 | 198 |
| Less credit loss allowance | (160) | (160) |
| Total financial assets within trade and other receivables | 385 | 322 |
| Tax receivables | 75 | 81 |
| Total trade and other receivables | 460 | 403 |

Trade receivable represents the receivable amounts from the sales of the electricity, meanwhile, other receivables represent amounts mainly from sales of fixed assets, camp and concrete.

Based on objective evidence, management estimates that the Company will not be able to fully collect receivables from sale of concrete. Credit loss allowance recognized during 2020 and no payment was received during 2025 and 2024.

Refer to Note 20 for information about credit loss allowance of trade receivables.

9 Cash and Cash Equivalents

| <i>In thousands of Georgian Lari</i> | 31 December 2025 | 31 December 2024 |
|--|-------------------------|-------------------------|
| Cash at bank | 3,181 | 1,624 |
| Total cash and cash equivalents | 3,181 | 1,624 |

Refer to Note 20 for information about credit quality of banks where the Company's cash at bank is allocated at.

10 Subscribed Capital

On 21 March 2018, according to the Sale and Purchase Agreements signed between JSC Skinest Hydro and CCEH Hydro III LLC, CCEH Hydro III LLC purchased 80% interest in the ownership of the Company. Furthermore, on 26 April 2018, in accordance with Ownership Interest Sale and Purchase Agreement signed between CCEH Hydro III LLC and Geo Hydro Capital Group LLC, CCEH Hydro III LLC acquired additional 2% from Geo Hydro Capital Group LLC. As a result, CCEH Hydro III LLC became the majority owner with 82% interest in the ownership of the Company.

On 31 May 2018, the subscribed capital of the Company was increased from original USD 1,000 thousand (equivalent to GEL 1,730 thousand) by USD 9,269 thousand (equivalent to GEL 22,926 thousand), as a result of decision of the owners. The increase was proportionally allocated to all owners according to the interest in the ownership. During 2020 subscribed capital was increased by USD 500 thousand (equivalent to GEL 1,536 thousand). On 24 September 2021, the capital of the Company was further increased by USD 454 thousand (equivalent to GEL 1,415 thousand).

In 2018 the owners contributed GEL 14,249 thousand. This included non-cash contribution of USD 1,269 thousand (equivalent to GEL 3,138 thousand), representing the conversion of the borrowing into the subscribed capital of the Company by CCEH Hydro III LLC and contribution of USD 4,286 thousand (equivalent to GEL 11,111 thousand) in cash.

10 Subscribed Capital (Continued)

In 2019 the owners contributed USD 1,554 thousand (equivalent to GEL 4,227 thousand) and in 2020 USD 2,410 thousand (equivalent to GEL 7,419 thousand) as a cash investment.

As of the year end 31 December 2021 authorized capital that has not been paid equalled GEL 766 thousand.

During 2021, USD 703 thousand (equivalent to GEL 2,186 thousand) cash contribution was made into the Company's capital.

Neither subscribed capital increase nor further cash contributions have taken place in 2025 and 2024.

Consequently, the Company's authorized subscribed capital that has been issued and paid totalled USD 11,222 thousand (equivalent to GEL 27,607 thousand) as of 31 December 2025 and as of 31 December 2024.

Paid in capital of GEL 2,515 thousand as of 31 December 2025 (31 December 2024: GEL 2,515 thousand) represents difference between capital issued and paid and authorized subscribed capital determined due to foreign exchange rate fluctuations as a result of time gap between the capital authorization and capital contribution dates.

11 Borrowings

| <i>In thousands of Georgian Lari</i> | 31 December 2025 | 31 December 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Bank loan | 46,915 | 49,218 |
| Total borrowings | 46,915 | 49,218 |

As of 31 December 2022, the Company had an active loan agreement, signed with JSC TBC Bank with outstanding principal amount of USD 18,289 thousand. The loan had maturity up to 1 January 2037.

On 16 October 2023, the Company issued secured bonds of USD 15,000 thousand (GEL 40,476 thousand) on the Georgian Stock Exchange (hereafter "GSE"), with an interest rate of 9.00% maturing in 2025. The bonds included an embedded American call option exercisable at par in one year from the date of issuance. The proceeds from this bond issuance were utilized to refinance a portion of the existing bank loan (with USD 17,986 thousand outstanding at the time of refinancing), which was due in 2037.

As of 31 December 2023, the Company had bonds with outstanding principal of USD 15,000 thousand (GEL 40,341 thousand) and a bank loan with outstanding principal of USD 2,777 thousand (GEL 7,470 thousand).

On 25 January 2024, the Company modified the terms of its outstanding loan agreement with bank, by changing the floating interest rate to fixed interest rate for two years followed by floating rate thereafter and shortening the debt maturity from 1 January 2037 to 1 July 2033.

On 13 December 2024, the Company exercised embedded-call option for issued bonds. The refinancing of bonds (USD 15,000 thousand) and the existing bank loan (with remaining principal of USD 2,500 thousand) has been executed through a new bank loan of USD 17,500 thousand with a maturity date extending to July 2039. The loan features a fixed interest rate for the first two years, followed by a floating rate thereafter, with semi-annual payments.

11 Borrowings (Continued)

The Company secured a revolving debt facility from the bank in the form Credit Line agreement with the limit of USD 700 thousand as an additional layer of financial safety, enhancing flexibility and optimization efforts. The facility has a maturity of three years and has not been utilized as of the issuance of these financial statements.

As of 31 December 2024, the Company held a bank loan with outstanding principal of USD 17,500 thousand (GEL 49,119 thousand).

As of 31 December 2025, the Company held a bank loan with outstanding principal of USD 16,465 thousand (GEL 44,375 thousand).

All assets (movable and immovable), as well as 95% of the shares of the Company are pledged in favour of the bank.

The Company is subject to certain covenants related primarily to its borrowings from JSC TBC Bank (Note 18).

12 Reconciliation of Liabilities arising from Financing Activities

The table below sets out an analysis of liabilities from financing activities and the movements in the Company's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

| <i>In thousands of Georgian Lari</i> | Borrowings | Lease liabilities | Total |
|--|-------------------|--------------------------|----------------|
| Liabilities from financing activities at 1 January 2025 | 49,218 | 677 | 49,895 |
| Cash flows | | | |
| Repayment of borrowings | (2,878) | - | (2,878) |
| Interest paid | (2,162) | (78) | (2,240) |
| Repayment of lease liabilities - principal | - | (1) | (1) |
| Total cash flows | (5,040) | (79) | (5,119) |
| Non-cash changes | | | |
| The effect of changes in foreign exchange rates | (1,917) | - | (1,917) |
| Interest accrued | 4,654 | 78 | 4,732 |
| Total non-cash changes | 2,737 | 78 | 2,815 |
| Liabilities from financing activities at 31 December 2025 | 46,915 | 676 | 47,591 |

12 Reconciliation of Liabilities arising from Financing Activities (Continued)

| <i>In thousands of Georgian Lari</i> | Borrowings | Lease liabilities | Total |
|---|-------------------|--------------------------|----------------|
| Liabilities from financing activities at 1 January 2024 | 49,954 | 678 | 50,632 |
| Cash flows | | | |
| Proceeds from borrowings | 49,896 | - | 49,896 |
| Repayment of borrowings | (7,891) | - | (7,891) |
| Repayment of bonds | (42,768) | - | (42,768) |
| Other bank service fees paid | (143) | - | (143) |
| Interest paid | (6,818) | (78) | (6,896) |
| Repayment of lease liabilities - principal | - | (1) | (1) |
| Total cash flows | (7,724) | (79) | (7,803) |
| Non-cash changes | | | |
| The effect of changes in foreign exchange rates | 2,036 | - | 2,036 |
| Gains less losses on restructuring of borrowings | (703) | - | (703) |
| Loss on derecognition of financial liabilities | 561 | - | 561 |
| Write-off of unamortized transaction costs due to early bond redemption | 297 | - | 297 |
| Interest accrued | 4,797 | 78 | 4,875 |
| Total non-cash changes | 6,988 | 78 | 7,066 |
| Liabilities from financing activities at 31 December 2024 | 49,218 | 677 | 49,895 |

13 Right-of-use Assets and Lease Liabilities

Under right to build agreements, the Company leases lands on which Lakhami 1 and Lakhami 2 HPPs are located. These contracts are made for fixed periods of 39 years.

When measuring lease liabilities for leases, the Company, discounts lease payments using its incremental borrowing rate at the date of lease recognition. Cash flows of the lease contracts of the Company are denominated in GEL. The rate applied in 2025 and 2024 was approximately 12%.

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|---|-------------|-------------|
| Carrying amount of right-of-use asset at 1 January | 625 | 639 |
| Amortization charge | (14) | (14) |
| Gross balance of right-of-use asset at 31 December | 681 | 681 |
| Accumulated amortization at 31 December | (70) | (56) |
| Carrying amount of right-of-use asset at 31 December | 611 | 625 |

13 Right-of-Use Assets and Lease Liabilities (Continued)

The Company recognised lease liabilities as follows:

| <i>In thousands of Georgian Lari</i> | 31 December 2025 | 31 December 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Long-term lease liabilities | 602 | 603 |
| Short-term lease liabilities | 74 | 74 |
| Total lease liabilities | 676 | 677 |

Interest expense included in finance costs of 2025 was GEL 78 thousand (2024: GEL 78 thousand). Expenses relating to short-term leases are included in other operating expenses under 'Expenses relating to short-term leases' (Note 15).

14 Revenues

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|--------------------------------------|--------------|--------------|
| Domestic sales of electricity | 7,421 | 5,859 |
| Export sales of electricity | 1,806 | 2,365 |
| Total revenues | 9,227 | 8,224 |

Revenues represent sales of the electricity from contracts with customers. During summer season of 2025 (May - August) the Company exported c. 48.27% of the generated electricity to Turkey, with the remaining 51.73% sold on the local market. Revenue generated during the summer season comprised GEL 1,806 thousand from export sales and GEL 1,616 thousand from local sales (2024: the Company exported c. 52.73% of the generated electricity to Turkey, with the remaining 47.27% sold on the local market. Revenue generated during the summer season comprised GEL 2,365 thousand from the electricity export to Turkey and GEL 1,723 thousand from local sales).

In 2025, the Company incurred transmission fees of GEL 509 thousand related to the export and local sales (2024: GEL 632 thousand).

15 Other Operating Expenses

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|---|--------------|--------------|
| Taxes expense other than on income | 609 | 604 |
| Insurance expense | 197 | 196 |
| Professional service fees | 177 | 223 |
| Environmental, social and governance expenditure* | 104 | 178 |
| Repair and maintenance expenses | 48 | 137 |
| Transportation expense | 33 | 49 |
| Expenses relating to short-term leases | 7 | 18 |
| Communication expenses | 7 | 4 |
| Office supplies | 6 | 9 |
| Utility expenses | 1 | 4 |
| Other | 18 | 72 |
| Total other operating expenses | 1,207 | 1,494 |

*Environmental, social and governance expenditure includes research and development fees of GEL 66 thousand (2024: GEL 61 thousand) related to water analyses, biodiversity and ichthyofauna monitoring research.

16 Alternative Performance Measures

Management believes that the presentation of alternative performance measures, like Adjusted Revenues, Adjusted EBITDA and Adjusted EBITDA Margin provides valuable insights into its financial performance, in order to make the Company's performance comparable to their industry peers and to analyse recurring operational performance over the years, excluding non-recurring items. The Company utilizes these metrics to assess and evaluate the Company's performance.

Adjusted Revenues, EBITDA and Adjusted EBITDA and Adjusted EBITDA Margin are provided below:

a) Adjusted Revenues

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|---|--------------|--------------|
| Revenue | 9,227 | 8,224 |
| Transmission expenses related to export sales | (460) | (594) |
| Adjusted Revenues* | 8,767 | 7,630 |

**Adjusted Revenue.* Adjusted Revenue is calculated by deducting transmission fees associated with export sales from Revenues. During the summer season, which is not governed by a Power Purchase Agreement, the Company sells electricity either to the local market or for export, primarily to Turkey. When electricity is sold for export, substantial transmission fees are paid to the regulator, which differ significantly from the fees incurred for local sales. Net export sales prices (calculated as the price per unit minus transmission fees per unit) have historically approximated local summer sales prices. However, as export sales might not be recurring every year, fluctuations in total revenue may arise, making challenging to make direct comparisons across periods. To enhance consistency and comparability in financial performance analysis, management believes that using Adjusted Revenues provides a more accurate reflection of the underlying business operations when calculating the key performance metrics, such as Adjusted EBITDA Margin or EBITDA Margin.

b) EBITDA and Adjusted EBITDA

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|---|--------------|----------------|
| Total Comprehensive Gain / (Loss) for the Year | 2,058 | (3,452) |
| Depreciation and Amortisation | 1,921 | 1,979 |
| Finance costs | 4,732 | 5,733 |
| Finance income | - | (703) |
| Foreign exchange loss/(gain), net on financing activities | (1,922) | 2,036 |
| Income tax expense | - | - |
| EBITDA | 6,789 | 5,593 |
| Specific items (see below) | 72 | 257 |
| Adjusted EBITDA** | 6,861 | 5,850 |

***Adjusted EBITDA.* Adjusted EBITDA is calculated by adjusting EBITDA to exclude specific non-recurring items, that management believes should not be considered when evaluating the Company's ongoing recurring performance. These specific items include: (1) non-cash income and expenses arising from the sale or write-off of non-current assets or other such non-recurring transactions; and (2) non-recurring, non-operational items that do not reflect the Company's ongoing operational performance.

16 Alternative Performance Measures (Continued)

c) Specific Items

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 | Classification |
|--|-------------|-------------|--------------------------|
| Non-operating, social expenses * | 33 | 70 | Other operating expenses |
| One-time employee benefits | - | 11 | Other operating expenses |
| One-time consultancy and professional service fees | 39 | 86 | Other operating expenses |
| One-time maintenance expenses | - | 34 | Other operating expenses |
| Other one-time expenses | - | 56 | Other operating expenses |
| Total specific items | 72 | 257 | |

* Social expenses adjusted include expenditures undertaken by the Company as a charity works for local community.

d) Adjusted EBITDA Margin

Adjusted EBITDA Margin and EBITDA Margin are calculated by dividing Adjusted EBITDA and EBITDA to Adjusted Revenues:

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|--------------------------------------|---------------|---------------|
| EBITDA | 6,789 | 5,593 |
| Adjusted EBITDA | 6,861 | 5,850 |
| Adjusted revenues | 8,767 | 7,630 |
| EBITDA Margin % | 77.44% | 73.30% |
| Adjusted EBITDA Margin % | 78.26% | 76.66% |

17 Finance Income/(Costs), net

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|---|----------------|----------------|
| Finance costs | (4,732) | (5,733) |
| Interest expense | (4,732) | (4,875) |
| Loss on derecognition of financial liabilities | - | (561) |
| Write-off of unamortized transaction costs due to early bond redemption | - | (297) |
| Finance Income | - | 703 |
| Gains less losses on restructuring of borrowings* | - | 703 |
| Foreign exchange (loss)/gain, net on financing activities | 1,922 | (2,036) |
| Finance income/(costs), net | (2,810) | (7,066) |

17 Finance Income/(Costs), net (Continued)

*In January 2024 the Company restructured its bank loan with more favourable terms, including a reduced interest rate. The difference between the carrying amount of the borrowing and the net present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate - i.e. of the original debt instrument is recognised in profit or loss as losses less gains on restructuring of borrowings.

18 Contingencies and Commitments

Tax legislation. The taxation system in Georgia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of government bodies, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however, under certain circumstances a tax year may remain open longer. These circumstances may create tax risks in Georgia that are substantially more significant than in many other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Georgian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their own interpretations, could be significant.

Assets pledged and restricted. According to the borrowing agreements with JSC TBC Bank, all movable and immovable properties as well as 95% of shareholding of the Company are pledged with the bank. There are no contingent allowances in relation to the pledged and restricted assets.

Commitment with Government of Georgia. Based on the Memorandum of Understanding (MoU) signed with the Government of Georgia on 19 October 2016 and amended on 3 December 2019, the Company has an option to sell the electricity exclusively to ESCO for 8 months (September through April) at a ceiling price of USD 6.00 cents/kWh during the first 10 years of operation or to any party in Georgia.

The ten-year guaranteed power purchase agreement (“PPA”) with ESCO came into effect on 17 October 2020.

Environmental matters. Environmental, Social and Governance (ESG) aspects are of utmost importance for the Company and the full process of project development are being assessed and developed in line with the world recognised ESG standards (EIB, IFC).

Consideration of climate change. The Company’s management has taken note of global awareness and concerns about the potential impact of climate change. Currently, this matter has had no significant impact on the financial statements, as for the future effects on the Company’s activities and business plans are difficult to predict. Management continues to monitor developments in this area and will respond as necessary to ensure the Company’s viability and will adopt all government guidelines if and when these are issued in the markets in which the Company operates.

Social matters. Alongside with the construction activities the Company actively financed various social programs which would have a long-term impact on the local community. Company does not hold any legal or constructive obligation regarding this matter, instead it is solely Company’s intention to support the local communities.

Compliance with covenants. The Company is subject to certain covenants related primarily to its borrowings and letter of credit from JSC TBC Bank. Non-compliance with such covenants may result in negative

18 Contingencies and Commitments (Continued)

consequences for the Company including growth in the cost of borrowings and declaration of default. The Company was compliant with all covenants as of 31 December 2025. However, it was not fully compliant with certain covenants as of 31 December 2024; accordingly, a waiver was obtained from JSC TBC Bank on 31 December 2024. The waiver effectively relinquished JSC TBC Bank’s legal rights and claims arising from the covenant breaches as of that date.

19 Balances and Transactions with Related Parties

The income and expense items with related parties were as follows:

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|--|-------------|-------------|
| Other transactions with other related parties | - | 55 |
| Sales of fixed assets to entities under common control | 43 | - |
| Total | 43 | 55 |

The outstanding balances with related parties were as follows:

| <i>In thousands of Georgian Lari</i> | 31 December 2025 | 31 December 2024 |
|--|-----------------------------|-----------------------------|
| Loan receivable from Parent company – CCEH Hydro III LCC | 134 | 139 |
| Receivable from entities under common control | - | - |
| Total | 134 | 139 |

Key management includes directors and local manager of the Company. Compensation paid to key management for the services in full time executive management positions is made up of a contractual salary, performance bonus depending on financial performance of the Company and other compensation in the form of reimbursement of rent, transportation, communication and other expenses.

Total key management compensation is presented below:

| <i>In thousands of Georgian Lari</i> | 2025 | 2024 |
|--------------------------------------|-------------|-------------|
| Salaries and benefits | 167 | 184 |

Salaries and benefits include GEL 2 thousand the Company’s mandatory contributions to the Pension Agency of Georgia (2024: GEL 4 thousand).

20 Financial Risk Management

The risk management function within the Company is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk and interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

Credit risk. The Company exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises from trade receivables and cash and cash equivalents and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Company's maximum exposure to credit risk reflected in the carrying amounts of financial assets in the statement of financial position at the reporting date was as follows:

| <i>In thousands of Georgian Lari</i> | 31 December 2025 | 31 December 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Bank balances | 3,181 | 1,624 |
| Trade and other receivables | 385 | 322 |
| Loans Issued | 134 | 139 |
| Recognized financial assets | 3,700 | 2,085 |

Bank balances. The cash and cash equivalents of the Company are held with JSC TBC Bank, which has a short-term issuer default rating of BB, based on Fitch Rating (2024: BB-). These balances are not past due and are in Stage 1. Respectively, the Company does not expect the counterparty to fail to meet its obligations.

Trade and other receivables. Credit risk is managed by individual customer level. ECL assessment on an individual basis is performed by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome. Trade and other receivable loss allowance is based on lifetime ECLs.

Trade receivables are fully current (not overdue) and usually covered within 30 days.

Management estimates that the Company will not be able to fully collect receivables from sales of concrete. Other receivables from latter sales have been credit impaired and respective credit loss allowance of GEL 160 thousand had been recognized during 2020. No payment was received during 2025 and 2024.

Market risk. The Company takes on exposure to market risks. Market risks arise from open positions in (a) currency and (b) interest rates, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis.

However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. In respect of currency risk, management sets limits on the level of exposure by currency, which are monitored daily. The Company's exposure to currency risk is mainly attributable to USD-denominated Bank Loan.

20 Financial Risk Management (Continued)

The table below summarises the Company's exposure to foreign currency exchange rate risk at the end of the reporting period:

| <i>In thousands of Georgian Lari</i> | USD-Denominated 31 December 2025 | USD-Denominated 31 December 2024 |
|--------------------------------------|---|---|
| Bank balances | 3,040 | 1,220 |
| Trade and other receivables | 12 | 13 |
| Loans issued | 134 | 139 |
| Trade and other payables | (11) | (11) |
| Bonds and loans | (46,915) | (49,218) |
| Net exposure | (43,740) | (47,857) |

| <i>In thousands of Georgian Lari</i> | EUR-Denominated 31 December 2025 | EUR-Denominated 31 December 2024 |
|--------------------------------------|---|---|
| Trade and other payables | (2) | - |
| Net exposure | (2) | - |

The official rates of exchange, as determined by the National Bank of Georgia, were as follows:

| <i>In Georgian Lari</i> | Average rate | | Reporting date spot rate | |
|-------------------------|----------------------------|----------------------------|---------------------------------|-----------------------------|
| | Year ended 2025 | Year ended 2024 | 31 December 2025 | 31 December 2024 |
| USD 1 | 2.7422 | 2.7208 | 2.6951 | 2.8068 |
| EUR 1 | 3.0960 | 2.9440 | 3.1737 | 2.9306 |

20 Financial Risk Management (Continued)

Sensitivity analyses. The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the Company, with all other variables held constant:

| <i>In thousands of Georgian Lari</i> | Strengthening | | Weakening | |
|--------------------------------------|----------------------|-------------------------|------------------|-------------------------|
| | Equity | Profit or (loss) | Equity | Profit or (loss) |
| 31 December 2025 | | | | |
| USD (10% movement) | - | 4,374 | - | (4,374) |
| 31 December 2024 | | | | |
| USD (10% movement) | - | 4,786 | - | (4,786) |

Interest rate risk. The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The table below summarises the Company's exposure to interest rate risks. The table presents the aggregated amounts of the Company's financial liabilities at carrying amounts:

| <i>In thousands of Georgian Lari</i> | Carrying Amount | |
|--------------------------------------|-------------------------|-------------------------|
| | 31 December 2025 | 31 December 2024 |
| Fixed rate instruments | 47,617 | 49,909 |
| Financial liabilities | 47,617 | 49,909 |
| Variable rate instruments | - | - |
| Financial liabilities | - | - |

At 31 December 2025, if interest rates at that date had been 200 basis points lower (2024: 200 basis points lower), profit for the year would have been GEL 898 thousand (2024: GEL 927 thousand) higher, as a result of lower interest expense on borrowings. If interest rates had been 200 basis points higher (2024: 200 basis points higher), profit would have been GEL 900 thousand (2024: GEL 931 thousand) lower, as a result of higher interest expense on borrowings.

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management monitors monthly rolling forecasts of the Company's cash flows. The Company seeks to maintain a stable funding base primarily consisting of borrowings, leases, trade and other payables and other current/non-current liabilities. The Company's liquidity portfolio comprises cash and cash equivalents (Note 9). Management estimates that the liquidity portfolio cash, can be realised in cash within a day in order to meet unforeseen liquidity requirements. The liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed.

20 Financial Risk Management (Continued)

The table below shows liabilities at 31 December 2025 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

The maturity analysis of financial liabilities at 31 December 2025 is as follows:

| <i>In thousands of Georgian Lari</i> | Carrying amount | Total | On demand | Less than 3 months | 3-12 months | 1-5 years | Over 5 years |
|--|-----------------|---------------|-----------|--------------------|--------------|---------------|---------------|
| Non-derivative financial liabilities | | | | | | | |
| Borrowings (Note 11) | 46,915 | 88,522 | - | 2,420 | 2,367 | 22,717 | 61,018 |
| Lease liabilities (Note 13) | 676 | 3,260 | - | - | 79 | 314 | 2,867 |
| Trade and other payables | 26 | 26 | - | 26 | - | - | - |
| Total future payments, including future principal and interest payments | 47,617 | 91,808 | - | 2,446 | 2,446 | 23,031 | 63,885 |

The maturity analysis of financial liabilities at 31 December 2024 is as follows:

| <i>In thousands of Georgian Lari</i> | Carrying amount | Total | On demand | Less than 3 months | 3-12 months | 1-5 years | Over 5 years |
|--|-----------------|----------------|-----------|--------------------|--------------|---------------|---------------|
| Non-derivative financial liabilities | | | | | | | |
| Borrowings (Note 11) | 49,218 | 100,053 | - | 758 | 2,588 | 23,173 | 73,534 |
| Lease liabilities (Note 13) | 677 | 3,338 | - | - | 79 | 314 | 2,945 |
| Trade and other payables | 14 | 14 | - | 14 | - | - | - |
| Total future payments, including future principal and interest payments | 49,909 | 103,405 | - | 772 | 2,667 | 23,487 | 76,479 |

21 Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Even though, the Company has no formal policy for capital management, management seeks to maintain a sufficient capital base for meeting the Company's operational and strategic needs. Latter is achieved with efficient cash management and monitoring of the Company's revenues and profits.

22 Fair Value Disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level 3 measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Financial assets carried at amortised cost. The fair value of floating rate instruments is their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities

Liabilities carried at amortised cost. Fair values of liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturities were estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

Management believes that the fair value of the Company's financial assets and liabilities approximates their carrying amounts. All financial assets are assigned to level 2 under fair value hierarchy.

23 Events after the Reporting Period

Loan repayment. In February 2026, the Company made an early repayment of USD 300 thousand (equivalent to GEL 805 thousand) of JSC TBC Bank loan.