C-C-E-H Hydro VI LLC

International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) Financial Statements and Independent Auditor's Report

31 December 2025

Contents

Independent Auditor's Report

To the Owners and the Supervisory Board of C-C-E-H Hydro VI LLC

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of C-C-E-H Hydro VI 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 Standard for Small and Medium-sized Entities 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, which include significant accounting policies 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.

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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 Standard for Small and Medium-sized Entities 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

24 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 (Reg.# SARAS-F-775813)

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

Tbilisi, Georgia

24 April 2026

C-C-E-H Hydro VI LLC
Statement of Financial Position

In thousands of Georgian Lari	**Note**	**31 December 2025**	**31 December 2024**
ASSETS			
Non-current assets			
Property, plant and equipment	5	55,855	23,124
Prepayments	5	3,095	11,092
Other non-current assets	7	3,716	-
Prepayment for other non-current assets		530	-
Total non-current assets		**63,196**	**34,216**
Current assets			
Prepayments and other receivables		985	639
Inventories		31	26
Cash and cash equivalents	6	4,070	2,648
Total current assets		**5,086**	**3,313**
TOTAL ASSETS		**68,282**	**37,529**
EQUITY			
Subscribed capital	8	5,294	5,294
Capital surplus	8	21,784	21,757
Accumulated deficit		(14,262)	(8,986)
TOTAL EQUITY		**12,816**	**18,065**
LIABILITIES			
Non-current Liabilities			
Borrowings	9	44,344	14,788
Total non-current liabilities		**44,344**	**14,788**
Current Liabilities			
Borrowings	9	8,415	3,220
Provision for liabilities and charges		139	453
Other payables	5	2,568	1,003
Total current liabilities		**11,122**	**4,676**
TOTAL LIABILITIES		**55,466**	**19,464**
TOTAL LIABILITIES AND EQUITY		**68,282**	**37,529**

Approved for issue and signed on behalf of Management on 24 April 2026 by:

Giorgi Abramishvili
Director

Vakhtang Paresishvili
Chief Financial Officer

C-C-E-H Hydro VI LLC
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Approved for issue and signed on behalf of Management on 24 April 2026 by:

Giorgi Abramishvili
Director

Vakhtang Paresishvili
Chief Financial Officer

The accompanying notes on pages 5 to 15 are an integral part of these financial statements.

In thousands of Georgian Lari	Note	2025	2024
Other income		74	68
Employee benefits expense		(594)	(464)
Environment, social and governance related costs	10	(80)	(354)
Foreign exchange loss, net		(315)	(131)
Other operating expenses	11	(1,319)	(898)
EBITDA		**(2,234)**	**(1,779)**
Depreciation and amortisation		(150)	(128)
Operating loss		**(2,384)**	**(1,907)**
Finance costs	9	(3,424)	(851)
Finance income		33	10
Foreign exchange gain/(loss), net		499	(291)
Loss before income tax		**(5,276)**	**(3,039)**
Income tax		-	-
LOSS FOR THE YEAR		**(5,276)**	**(3,039)**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(5,276)**	**(3,039)**

In thousands of Georgian Lari	Note	Subscribed capital	Capital surplus	Accumulated deficit	Total
Balance at 31 December 2023		**5,294**	**17,208**	**(5,947)**	**16,555**
Capital contribution	8	-	4,549	-	4,549
Loss for the year		-	-	(3,039)	(3,039)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		**-**	**-**	**(3,039)**	**(3,039)**
Balance at 31 December 2024		**5,294**	**21,757**	**(8,986)**	**18,065**
Capital contribution	8	-	27	-	27
Loss for the year		-	-	(5,276)	(5,276)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		**-**	**-**	**(5,276)**	**(5,276)**
Balance at 31 December 2025		**5,294**	**21,784**	**(14,262)**	**12,816**

In thousands of Georgian Lari	Note	2025	2024
Cash flows from operating activities			
Loss before income tax		(5,276)	(3,039)
Adjustments for:			
Depreciation of property, plant and equipment	5	238	171
Finance costs	9	3,424	851
Finance income		(33)	(10)
Foreign exchange (gain)/loss, net		(184)	422
Operating cash flows before working capital changes		**(1,831)**	**(1,605)**
Increase in prepayments and other receivables		(346)	(327)
Increase in inventories		(5)	(7)
Increase/(decrease) in other payables		1,212	(70)
Increase in tax balances		1	15
Changes in working capital		**862**	**(389)**
Net cash used in operating activities		**(969)**	**(1,994)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(24,972)	(19,569)
Proceeds from restricted cash		(3)	569
Issue of loan		-	840
Construction of transition line	7	(4,246)	-
Net cash used in investing activities		**(29,221)**	**(18,160)**
Cash flows from financing activities			
Proceeds from capital contribution	8	27	4,549
Proceeds from borrowings	9	36,965	17,469
Interest received		33	9
Repayment of borrowings	9	(2,974)	(192)
Interest paid		(2,164)	(411)
Net cash from financing activities		**31,887**	**21,424**
Effect of exchange rate changes on cash and cash equivalents, net		(276)	(178)
Net increase in cash and cash equivalents		**1,421**	**1,092**
Cash and cash equivalents at the beginning of the year	6	**2,648**	**1,556**
Cash and cash equivalents at the end of the year	6	**4,070**	**2,648**

1. General Information

These financial statements for C-C-E-H Hydro VI LLC (the "Company" or "Hydro 6") for the year ended 31 December 2025 are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing.

The Company was set up by National Agency of Public Registry as a limited liability company in accordance with Georgian regulations on 20 January 2020. The Company's identification number is 404591394.

From 4 August 2023, the Company has aligned its capital structure with new requirements of the amended Law of Georgia "On Entrepreneurs" and issued A and B class shares. Details on each class shareholders and their ownership for the last two years were as follows:

	31 December 2025		31 December 2024	
	Number of Shares	**Percentage of Shares**	**Number of Shares**	**Percentage of Shares**
A Class Shareholders				
Bakhvi 1 Holdco LLC	3,000,000	56.67%	3,000,000	56.67%
Industrieliegenschaftenverwaltung AG	1,976,178	37.33%	1,976,178	37.33%
Mr. Taras Nizharadze	105,876	2%	105,876	2%
Hans Holding LLC	105,876	2%	105,876	2%
Mr. Werner Panhauser	105,876	2%	105,876	2%
B Class Shareholders				
Mr. Giorgi Abramishvili	110,865	44.45%	110,865	44.45%
Mr. Archil Dzneladze	110,865	44.45%	110,865	44.45%
Mr. Andro Bregvadze	27,716	11.10%	27,716	11.10%

Bakhvi 1 – Holding Company LLC is an affiliated company of Caucasus Clean Energy Fund I, L.P. ("CCEF", the "Fund", or the "Partnership"). 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. Schulze Global Georgia GP, L.P. is the General Partner of the Fund. 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.

The Shareholder and Investment agreements were signed on 30 June 2022 between Fund and Industrieliegenschaftenverwaltung AG (ILAG). Industrieliegenschaftenverwaltung AG (ILAG) is a stock corporation (Aktiengesellschaft) duly incorporated and validly existing under the Laws of Austria, with its corporate seat in Vienna and its business address at Opernring 17, 1010 Wien, Austria, registered with the Commercial Court of Vienna (Handelsgericht Wien) under registration number FN 73589w. Bakhvi 1 HPP – Holding Company LLC and C-C-E-H Hydro VII LLC are both affiliated companies of the Fund.

Principal activity. The principal business activity of the Company is construction, ownership, and operation of Bakhvi 1 hydro power plant ("Bakhvi 1") – a run of river type hydro power plant with an installed capacity of 10.9 MW located on Bakhvistskali river, Guria Georgia.

As of 31 December 2025, the construction works on the hydropower plant are at the advance stage. The Company plans to commence electricity generation in the first half of 2026.

Registered address and place of business. The Company's legal address # 2a Giorgi Leonidze Street, Floor 3, Area #5, Mtatsminda District, Tbilisi, 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. Emerging markets such as Georgia are exposed to different risks than more developed markets; The partial list of the risks include economic, political and social, and legal and legislative risks. Environment, laws and regulations affecting businesses in Georgia continue to change rapidly that are with tax and regulatory frameworks subject to varying interpretations. The future development of Georgia's economy is primarily influenced by the fiscal and monetary policies as well as legal, regulatory, and political environment.

War between Russia and Ukraine. The Russian-Ukrainian military conflict, started in February 2022, has had a negative impact on global economy; The partial list of the consequential externalities includes: military actives, refugee crisis, destruction of supply chain, inflation hikes, food and commodity price increases and other adverse effects for the global economy.

The Company has no direct exposure to Ukraine, Russia and Belarus. Although management is unable to predict all developments which could have an impact on the Georgian economy and consequently on the future financial position of the Company, the management is prudently taking all the necessary measures to support the sustainability and development of the Company's business.

3. Summary of Significant Accounting Policies

Basis of preparation. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The preparation of these financial statements in conformity with IFRS for SMEs 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. Functional currency of the Company is the currency of the primary economic environment in which the Company operates. The Company's functional and presentation currency is the national currency of Georgia, Georgian Lari ("GEL"). All values are rounded to the nearest thousand GEL, except when otherwise indicated.

Translation 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.

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 ("PPE") is stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

3. Summary of Significant Accounting Policies (Continued)

The Company adds to the carrying amount of an item of PPE the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation. Land and construction in progress is not depreciated. Depreciation on other assets is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

	Useful life
Vehicles	5 years
Machinery and equipment	5 years
Office equipment, fixtures and fittings	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'gain less losses on disposal of property, plant and equipment' in the statement of profit or loss and other comprehensive income.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method.

Other financial assets. Other financial assets are initially recorded at fair value. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC.

Accounts receivables and issued loans. Account receivables and issued loans are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables and issued loans is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Prepayments. Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Trade and other payables. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

3. Summary of Significant Accounting Policies (Continued)

Impairment of non-financial assets other than inventories. Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets or Cash Generated Units (CGUs) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs'. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are 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, where appropriate, the risks specific to the liability.

Contingent liabilities and assets. A contingent asset represents a potential economic benefit that is dependent on future events out of a Company's control. Due to the fact that there are uncertainties whether these gains will materialize, or being able to determine their precise economic value, means these assets are not be recorded on the balance sheet. Instead, they are reported in the accompanying notes of financial statements. A contingent liability is a liability that may occur depending on the outcome of an uncertain future event. A contingent liability is recorded if the contingency is likely and the amount of the liability can be reasonably estimated. The liability may be disclosed in relevant notes on the financial statements unless both conditions are not met.

Subscribed capital. The amount of Company's Subscribed capital is subscribed capital of the Company with the nominal value determined by the Company's owners. The changes in the Company's subscribed capital shall be made only based on the decision of the Company's owners.

Capital surplus represents the difference between the Subscribed capital (nominal value of Subscribed capital defined based on the Company's charter) and actual capital contributed in the Company.

Income taxes. Income taxes have been provided for in these 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. Summary of Significant 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 (Note 3) 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 these 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. Management believes that the necessary financing will be available for the Company 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.

5. Property, Plant and Equipment

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

	Construction in progress	**Land**	**Machinery and equipment**	**Office equipment, fixtures and fittings**	**Vehicles**	**Other**	**Total**
Cost							
Balance at 1 January 2024	**10,835**	**-**	**20**	**224**	**321**	**3**	**11,403**
Additions	11,010	-	1,010	14	-	-	12,034
Balance at 31 December 2024	**21,845**	**-**	**1,030**	**238**	**321**	**3**	**23,437**
Additions	32,700	35	3	21	210	-	32,969
Balance at 31 December 2025	**54,545**	**35**	**1,033**	**259**	**531**	**3**	**56,406**
Accumulated depreciation							
Balance at 1 January 2024	**-**	**-**	**(4)**	**(69)**	**(69)**	**-**	**(142)**
Charge for the year	-	-	(72)	(34)	(64)	(1)	(171)
Balance at 31 December 2024	**-**	**-**	**(76)**	**(103)**	**(133)**	**(1)**	**(313)**
Charge for the year	-	-	(118)	(49)	(71)	-	(238)
Balance at 31 December 2025	**-**	**-**	**(194)**	**(152)**	**(204)**	**(1)**	**(551)**
Carrying value							
Balance at 1 January 2024	10,835	-	16	155	252	3	11,261
Balance at 31 December 2024	21,845	-	953	135	188	2	23,123
Balance at 31 December 2025	**54,545**	**35**	**839**	**107**	**327**	**2**	**55,855**

Prepayments for property plant and equipment amounted to GEL 3,095 thousand (31 December 2024: GEL 11,092).

Payables for acquisition of property plant and equipment amounted to GEL 2,568 thousand (31 December 2024: GEL 1,003 thousand).

Depreciation amounting to GEL 88 thousand for machinery was capitalised as part of the ongoing construction project (2024: 43).

6. Cash and Cash Equivalents

In thousands of Georgian Lari	31 December 2025	31 December 2024
Cash at bank	4,070	2,648
Total cash and cash equivalents	**4,070**	**2,648**

Cash and cash equivalents represent the cash balances placed into the Company's accounts at JSC TBC Bank and Bank of Georgia JSC.

7. Other Non-Current Assets

In thousands of Georgian Lari	31 December 2025	31 December 2024
Other non-current assets	3,716	-
Total cash and cash equivalents	**3,716**	**-**

Other non-current assets include costs related to the construction of a transmission line, which will be transferred to a third party upon completion. The transmission line is required for the evacuation of electricity generated by the Company's hydropower plant.

8. Subscribed Capital and Surplus Capital

In 2020 Caucasus Clean Energy Holding Pte Limited has contributed GEL 626 thousand and in 2021 GEL 3,105 thousand in the capital of the Company.

In 2022, the Company issued 4,712 shares based on the board decision with nominal value GEL 4,500 thousand. Total contributions during 2022 from the Fund amounted to USD 683 thousand (GEL 2,028 thousand) and from minority shareholders USD 938 thousand (GEL 2,644 thousand). The difference between the total capital contribution and nominal value of the issued shares of GEL 4,149 thousand was recognised as a capital surplus for the yead ended 31 December 2022.

In 2023, based on the board decision the Company issued 831 shares with nominal value GEL 794 thousand. Total contributions during 2023 from Fund amounted to USD 2,658 thousand (GEL 6,866 thousand) and from minority shareholders USD 2,645 thousand (GEL 6,926 thousand). The difference between the total capital contribution and nominal value of the issued shares of GEL 17,208 thousand was recognised as a capital surplus for the yead ended 31 December 2023.

In 2024, the Company did not change the subscribed capital. However, an additional capital contribution of USD 1,685 thousand (GEL 4,549 thousand) was made by owners, resulting in an increase of capital surplus up to USD 9,792 thousand (GEL 21,757 thousand).

As of 31 December 2025 and 31 December 2024, the Company had into share-based payment arrangements with its employees. Shares were granted to selected employees under the employment agreements. The Company has no legal or constructive obligation to repurchase or settle the shares in cash.

8. Subscribed Capital and Surplus Capital (Continued)

During 2025, the Company did not change the subscribed capital. However, an additional capital contribution of USD 10 thousand (GEL 27 thousand) was made by owners, resulting in an increase of capital surplus up to USD 9,802 thousand (GEL 21,784 thousand).

9. Borrowings

In thousands of Georgian Lari	**31 December 2025**	**31 December 2024**
Principal of letter of credit and loan	43,593	14,788
Principal of LC	751	-
Borrowings non-current	**44,344**	**14,788**
Principal of letter of credit and loan	6,719	2,775
Accrual interest on loan	1,608	363
Accrual interest on letter of credit	88	82
Borrowings current	**8,415**	**3,220**
Liabilities from financing activities at 31 December	**52,759**	**18,008**

During 2024, the Company signed the loan agreement with JSC TBC Bank and JSC Bank of Georgia to finance the acquisition of fixed assets and the construction of a hydropower plant. The total loan facility amounts to USD 30,000 thousand, maturing on 26 July 2041. In 2025, the total loan facility amount increased to USD 35,000 thousand. The loan agreements consider a grace period of 30 months, after which the principal is repayable on a semi-annual basis. As at 31 December 2025, the Company had utilized USD 16,438 thousand (GEL 44,302 thousand) under this facility, issued in multiple tranches during 2025.

During 2024, the Company has signed the letter of credit agreement with JSC Bank of Georgia for the purchase of electro-mechanical equipment. EUR 2,130 thousand (GEL 6,761 thousand) was utilized as of 31 December 2025 with maturities are as follows:

- EUR 142 thousand (GEL 451 thousand) maturing on 18 August 2026;
- EUR 710 thousand (GEL 2,254 thousand) maturing on 2 October 2026;
- EUR 170 thousand (GEL 540 thousand) maturing on 30 November 2026;
- EUR 540 thousand (GEL 1,714 thousand) maturing on 10 December 2026;
- EUR 331 thousand (GEL 1,052 thousand) maturing on 18 December 2026;
- EUR 237 thousand (GEL 751 thousand) maturing on 9 June 2027.

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:

In thousands of Georgian Lari	**2025**	**2024**
Liabilities from financing activities at 1 January	**18,008**	**-**
Loan drawdowns	36,965	17,469
Repayments of principal	(2,974)	(192)
Interest accrual	3,424	851
Interest payments	(2,164)	(411)
Foreign exchange (gain)/loss	(499)	291
Liabilities from financing activities at 31 December	**52,759**	**18,008**

10. Environmental, Social and Governance Related Costs

In thousands of Georgian Lari	**2025**	**2024**
Village infrastructure related costs	30	339
Small-scale social activities	50	15
Total environmental, social and governance related costs	**80**	**354**

11. Other Operating Expenses

In thousands of Georgian Lari	**2025**	**2024**
Taxes expense other than on income	575	216
Professional service fees	417	382
Rent expenses	82	112
Repair and maintenance expenses	82	59
Office supplies	78	83
Insurance Expense	36	22
Communication expenses	15	13
Representative expenses	4	8
Utility expenses	1	3
Other	29	-
Total other operating expenses	**1,319**	**898**

12. 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.

***Environmental matters*.** Environmental, Social and Governance (ESG) aspects are of utmost importance for the Company and the full process of project development is in line with the world recognised ESG standards (EIB, IFC). SLR Consulting was engaged by the Company to compete biodiversity assessment and develop Biodiversity Action Plan.

***Social matters*.** Alongside with the project development activities the Company is in continuous negotiation with the different stakeholders (including local communities) regarding the social programs which would have a long-term impact on the local community. Advisory Council was established to unite NGO representatives, private and governmental sector for continuous and transparent dialogue on the development process for Bakhvi 1 project. Memorandum was signed with USAID to support the Tea Value Chain and develop various infrastructural projects.

Compliance with covenants. The Company is subjected to certain financial and non-financial covenants related primarily to its loan and letter of credits from JSC TBC Bank and JSC Bank of Georgia. Non-compliance with such covenants may result in negative consequences for the Company including growth in the cost of borrowings and declaration of default. The Company was not fully compliant with some non-financial covenants during the years ended and as of 31 December 2025 and 31 December 2024, however, the waiver letters from JSC TBC bank and JSC Bank of Georgia were obtained on 31 December 2025 and 31 December 2024, respectively, according to which JSC TBC Bank and JSC Bank of Georgia relinquished the legal rights and claims related to the breach of covenants. The covenants will be tested again in the next reporting period.

Assets pledged and restricted. According to the letter of credit and borrowing agreements with TBC Bank JSC and Bank of Georgia JSC, all movable and immovable properties, all future movable and immovable properties, as well as shareholding of the Company are pledged with the banks.

13. Balances and Transactions with Related Parties

In thousands of Georgian Lari	**31 December 2025**	**31 December 2024**
Other receivables from the entity under common control		
Bakhvi 2 LLC	152	119
Other payables to the entity under common control		
Bakhvi 2 LLC	1,698	781

Key management includes directors of the Company. Compensation paid to key management for the services is made up of a contractual salary.

13. Balances and Transactions with Related Parties (Continued)

Total key management compensation includes the following:

In thousands of Georgian Lari	2025	2024
Salaries and benefits capitalized on Construction in progress	488	411
Salaries and benefits expenses	165	180
Total key management compensation	**653**	**591**

14. Financial Instruments

In thousands of Georgian Lari	31 December 2025	31 December 2024
Financial assets		
Financial assets measured at amortised cost less impairment	5,055	2,773
Cash and cash equivalents	4,070	2,648
Other receivables	985	125
Financial liabilities		
Financial liabilities measured at amortised cost	55,324	19,011
Borrowings	52,759	18,008
Other payables	2,565	1,003

15. Subsequent Events

In January, February, March and April 2026, the Company utilized the additional USD 1,700 thousand (GEL 4,582 thousand) under the loan facilities from JSC TBC Bank and JSC Bank of Georgia (Note 9).