Financial Statements of The Permanent Establishment of SAFEGE SJSC

As of and for the year ended 31 December 2024

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Compilation Report

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To the management of Permanent Establishment of the SAFEGE SJSC

We have complied the accompanying financial statements of Permanent Establishment of the SAFEGE SJSC (the "Company") based on the information contained in the Company's accounting database, which is maintained by us in accordance to the contract for accounting services. These financial statements comprise the statement of financial position of the Company as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised) Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Enterprises (IFRS for SMEs). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

Since a compilation engagement is not an assurance engagement, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS for SMEs.

Paata Shurgaia

Managing Partner

25 September 2025

შპს "გრანთ თორნთონ" * "GRANT THORNTON" LLC * 200136600 *
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Statement of Financial Position

Company: Permanent Establishment of SAFEGE SJSC
As of 31 December 2024
Currency: GEL

In Georgian Lari	**Note**	As of 31 December 2024	As of 31 December 2023
Assets			
Non-Current Assets			
Property and Equipment	4	35,659	42,101
Total Non-Current Assets		**35,659**	**42,101**
Current-Assets			
Prepayments		5,681	9,818
Inventory		1,013	1,364
Trade and Other Receivables	5	219,686	298,783
Cash and Cash Equivalents	6	2,033,905	2,553,748
Total Current Assets		**2,260,285**	**2,863,713**
Total Assets		**2,295,944**	**2,905,814**
Liabilities and Equity			
Equity			
Previous Periods Accumulated Gains (Losses)		214,952	5,840,605
Distributions of the previous periods accumulated gains		-	(4,636,956)
Retained Earnings		115,905	(988,697)
Total Equity		**330,857**	**214,952**
Date: 29 September 2025			
Trade and Other Payables	7	1,951,010	1,969,220
Payables to the state budget		14,077	721,642
Total Current Liabilities		**1,965,087**	**2,690,862**
Total Liabilities and Equity		**2,295,944**	**2,905,814**

Director: Didier WYNROCX
Signature
Date: 29 September 2025

Statement of profit or loss and other comprehensive income

Company: Permanent Establishment of SAFEGE SJSC
As of 31 December 2024
Currency: GEL

In Georgian Lari	**Note**	Year ended 31 December 2024	Year ended 31 December 2023
Revenue	8	2,920,491	2,516,012
Cost Of Sales	9	(2,141,057)	(1,857,114)
Gross Profit		**779,434**	**658,898**
General and Administrative Expenses	10	(719,606)	(1,170,446)
Total Operating Expenses		**(719,606)**	**(1,170,446)**
Operating Profit		**59,828**	**(511,548)**
Finance Income	11	77,414	227,140
Other Non-Operating Income		-	6,186
Other Non-Operating Expense		(2,589)	(142)
Net foreign exchange gain/(loss)		(18,748)	(4,564)
Profit Before Tax		**115,905**	**(282,928)**
Income tax expense		-	(705,769)
Profit For The Period		**115,905**	**(988,697)**
Other comprehensive income		-	-
Total comprehensive income for the period		**115,905**	**(988,697)**

Director: Didier WYNROCX

Signature

Date: 29 September 2025

Notes to the financial statements

1 Nature of operations and general information

MSS SAFEGE Permanent Establishment (hereinafter referred to as the Company) is a permanent establishment in Georgia of the French resident company Safege SAS, which was registered in Georgia for tax purposes on August 25, 2015.

Identification number of the SAFEGE Permanent Establishment (PE) is: 202471173 and the legal address is Tbilisi, Chugureti district, Ardoni 3. Sad 1, Object 4. The SAFEGE PE has two offices for the management of two currently operating projects, the actual addresses of which are: UWSCG project - Tbilisi, Medea Chakhava #9; MDF project - Tbilisi, Paliashvili str. #10.

The main activity of the SAFEGE PE is the construction of water treatment pipes and facilities (Rehabilitation of Wastewater Treatment Plants), architectural and supervisory works. The Society has one ongoing project, "Urban Services Improvement Investment Program" with the United Water Supply Company of Georgia (UWSCG). The Society supervises the construction of water and sewage facilities. The works include: headworks (river waterworks, wells, etc.); pumping station; water transmission pipelines and supporting structures; storage reservoirs; water supply networks; supervision of the construction of sewage systems and sewage treatment plants. The work is supervised by the Society's engineers (and also the subcontractor - Engineering Solution) to ensure that all work is carried out in accordance with the developed design and relevant rules.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards for small and medium-sized entities (“IFRS for SMEs”) as issued by the International Accounting Standards Board (“IASB”). They have been prepared under the assumption that the Company operates on a going concern basis.

2.2 Basis of measurement

The financial statements have been prepared on an accrual’s basis and under the historical cost.

2.3 Functional and presentation currency

The national currency of Georgia is the Georgian lari (“Georgian lari”), which is the PE’s functional currency.

These financial statements are presented in Georgian lari (unless otherwise stated) and all financial information has been rounded to the nearest lari.

2.4 Use of estimates and judgment

The preparation of financial statements in conformity with IFRS for SMEs requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 13 to the financial statements.

3 Material accounting policies

3.1 Foreign currencies

Foreign currency transactions

In preparing the financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the National Bank of Georgia prevailing on the dates of the transactions.

At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates defined by the National Bank of Georgia prevailing on the reporting date, which is 2.8068 Georgian lari for 1 US dollar and 2.9306 Georgian lari for 1 Euro as of 31 December 2024 (31 December 2023: 2.6894 Georgian lari for 1 US dollar and 2.9753 Georgian lari for 1 Euro). Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date.

Exchange differences arising on the settlement and retranslation of monetary items, are included in profit or loss for the period.

3.2 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenditure to replace a component of an item of property and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in the profit or loss as incurred.

Depreciation is charged to consolidated profit or loss on a straight line basis over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use. The estimated useful lives are as follows:

Vehicles	-	5 -7 years
Computers	-	5 years
Furniture and other office equipment	-	5 years

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

3.3 Impairment of long-term assets

Recoverable amount is the higher of net selling price and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately.

3.4 Lease

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the leased asset to the Entity. The related asset is then recognized at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental costs, if any. A corresponding amount is recognized as a finance lease liability.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the company. The corresponding finance lease liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

The interest element of lease payments is calculated using the effective interest method to represent a constant proportion of the capital balance outstanding and is charged to profit and loss over the period of the lease.

3.5 Inventories

Inventories are assets held for sale in the ordinary course of business or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

3.6 Financial instruments

Financial Instruments are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss) If however, the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

After initial recognition they are measured at amortized cost using the effective interest method.

Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms receivables are measured at amortized cost using the effective interest method, less provision for impairment. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

The Entity's financial liabilities include borrowings and trade and other payables.

Trade and other payables

Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. They are on normal credit terms and do not bear interest.

Borrowings

Borrowings are recognized initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

3.7 Cash and cash equivalents

Cash balances comprise bank accounts.

3.8 Equity

Accumulated loss includes all current and prior period retained profits/accumulated losses.

3.9 Income tax

Current tax is the expected tax payable/(recoverable) on the taxable income/(loss) for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current taxation model effective in Georgia since 1 January 2017 (the "Estonian model of corporate taxation") implies zero corporate tax rate on retained earnings and a 15% corporate tax rate on distributed earnings. As a result, starting 1 January 2017 companies pay corporate income tax on earnings distribution (profit distributed to shareholders as dividends) and on individual transactions that may be considered as indirect distribution of earnings (benefits, gifts, payments, non-arm's length cross-border transactions with related parties, expenses not related to economic activities, etc).

A specific article of the Tax Code of Georgia makes an exception for companies with a status of International Company and explains that the object of profit taxation for them is the same as mentioned above, but the profit tax rate is 5%.

The corporate income tax arising from distribution of dividends is recognized as an expense in the period when dividends are declared, regardless of the actual payment date or the period for which dividends are distributed. The tax rate for taxpayer with a status of international company is 5/95 of the amount of net distribution.

According to the current concept of corporate income taxation, there are no temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Therefore, deferred tax assets and liabilities, as defined in IAS 12 Income Taxes, are not formed subsequent to 1 January 2017.

3.10 Revenue

The Entity generates its revenue from software development projects.

Revenue comprises the fair value of the consideration received or receivable for the services provided in the ordinary course of activities. Revenue is shown net of sales/value-added tax, returns, rebates and discounts.

The Entity recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

4	Property and Equipment	Vehicles	Computer equipment	Office equipment and furniture	TOTAL
	Cost				
	as of 31 December 2022	**25,354**	**13,027**	**2,099**	**40,480**
	Additions	45,093	-	245	45,338
	Disposals	(25,354)	-	-	(25,354)
	as of 31 December 2023	**45,093**	**13,027**	**2,344**	**60,464**
	Additions	-	-	-	-
	Disposals	-	-	-	-
	as of 31 December 2024	**45,093**	**13,027**	**2,344**	**60,464**
	Accumulated depreciation and impairment				
	as of 31 December 2022	**25,354**	**13,027**	**2,099**	**40,480**
	Charge for the year 2023	3,237	-	-	3,237
	Eliminated on disposal	(25,354)	-	-	**(25,354)**
	as of 31 December 2023	**3,237**	**13,027**	**2,099**	**18,363**
	Charge for the year	6,442	-	-	6,442
	Eliminated on disposal	-	-	-	**-**
	as of 31 December 2024	**9,679**	**13,027**	**2,099**	**24,805**
	Carrying amount				
	as of 31 December 2022	**-**	**-**	**-**	**-**
	as of 31 December 2023	**41,856**	**-**	**245**	**42,101**
	as of 31 December 2024	**35,414**	**-**	**245**	**35,659**

5 Trade and Other Receivables

During the reported periods the PE of SAFEGE in Georgia has been implementing several rpojects with only one client - the United Water Supply Company of Georgia (UWSCG) and all the trade receivables represent receivables from this client

6	Cash and Cash Equivalents	31/Dec/24	31/Dec/23
	GEL in local banks	661,882	129,828
	USD in local banks	-	-
	EUR in local banks	-	702,962
	USD in foreign banks	1,371,375	1,720,997
	EUR in foreign banks	648	(39)
	Petty cash in GEL	-	-
	Total Cash and Cash Equivalents	**2,033,905**	**2,553,748**

7	Trade and Other Payables	31/Dec/24	31/Dec/23
	Payables to Head office	1,882,122	1,884,725
	Other trade payables	16,568	15,063
	Liabilities to Contractors	47,304	64,475
	Wages and salaries payable	3,587	3,587
	Other payables to company personnal	1,430	1,370

Total Cash and Cash Equivalents		**1,951,011**	**1,969,220**

8	**Revenue**		**Year 2024**	**Year 2023**

During the reported periods the PE of SAFEGE in Georgia has been implementing several projects with only one client - the United Water Supply Company of Georgia (UWSCG) and all the reported revenues represent revenues generated frorm projects with this client.

9	**Cost of Sales**		**Year 2024**	**Year 2023**
	International Experts Costs		1,234,043	936,047
	Local Specialists Salary		212,868	204,960
	Sub-contractor expenses		566,034	624,957
	Disbursement Fees		119,331	82,719
	Insurance costs		8,780	8,431
	Total Cost of Sales		**2,141,056**	**1,857,114**

10	**General and Administrative Expenses**		**Year 2024**	**Year 2023**
	Management fee		430,206	867,181
	Staff costs		125,417	126,925
	Accounting and consulting expenses		62,276	62,117
	Accomodation/ Transport		36,614	45,087
	Office rent		30,000	29,438
	Office equipment and running costs		14,433	14,116
	Bussines Trip Expenses		8,538	18,322
	Depreciation and amortization		6,442	3,237
	Other costs		5,680	4,023
	Total General and Administrative Expenses		**719,606**	**1,170,446**

11	**Finance income and costs**		**Year 2024**	**Year 2023**
	Finance Income			
	Interest accrued on bank account balances		77,414	227,140
	Total finance income		**77,414**	**227,140**
	Finance costs			
	Interesl expense on loans		-	-
	Total finance costs		**-**	**-**
	Net finance income/(costs)		**77,414**	**227,140**

12	**Related parties**			
	Balances		**31/Dec/24**	**31/Dec/23**
	Head office			
	Payables to Head office		1,882,122	1,884,725

13	**Critical accounting estimates and judgements**			

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

13.1 Critical accounting estimates

The Entity makes estimates and assumptions concerning the future. The resulting accounting estimates may be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of property and equipment

Management has estimated useful lives of the property and equipment. Management believes that estimated useful lives of the property and equipment are not materially different from economical lives of those assets. If actual useful lives of property and equipment are different from estimations, financial statements may be materially different.

14 Subsequent events

After the reporting period, there were no such events that need to be reflected in the explanatory notes to the financial statements.