Energji Ashta Sh.p.k

Independent Auditor's Report and

Financial Statements

for the year ended 31 December 2025

Content

Independent Auditor's Report

To the Management and Shareholder of Energji Ashta sh.p.k.,

Opinion

We have audited the financial statements of Energji Ashta sh.p.k. (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, included in pages 9-30

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with with International Financial Reporting Standards ("IFRSs").

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 are independent of the Company in accordance with the Code of Ethics for Professional Accountants (IESBA Code) and the Code of the Institute of Chartered Certified Accountants (IEKA Code), together with the ethical requirements of Law No. 10091, dated 5 March 2009 "On Statutory Auditing, Organization of the Profession of Registered Accountant and Approved Accountant, as amended, which are applicable to the audit of the financial statements in Albania, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the 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 IFRS, 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 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
ee 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 judgment 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 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 annual financial statements, including the disclosures, and whether the annual 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.

Date 30 Mars 2026

TPA Albania Shpk

Laura Gjinali , Statutory Auditor

Energji Ashta Sh.p.k.

Pasqyra e pozicionit financiar më 31 dhjetor 2025

(Shumat në Lek, përveçse kur shprehet ndryshe)

	Shënime	31 dhjetor 2025	31 dhjetor 2024
Aktivet			
Aktive afatgjata materiale	7	16,958,710	22,063,370
Aktive afatgjata jo materiale	8	13,828,795,245	14,604,627,039
Detyrimi për tatimin e shtyrë		516,828,396	545,751,628
Totali i aktiveve afatgjata		**14,362,582,351**	**15,172,442,037**
Inventari	9	120,024,440	120,540,493
Parapagime dhe shpenzime të shtyra	10	5,342,511	5,991,239
Llogari të arkëtueshme	11	494,144,911	282,778,530
Aktive të tjera	12	1,798,137,574	2,007,145,202
Depozita e mjete monetare të kufizuara	13	501,566,513	5,168,539
Mjetet monetare	14	5,002,582	176,336,584
Totali i aktiveve afatshkurtra		**2,924,218,531**	**2,597,960,587**
Totali i aktiveve		**17,286,800,882**	**17,770,402,624**
Kapitali			
Kapitali aksionar	15	12,460,176,500	12,460,176,500
Humbje të akumuluara		(2,042,033,008)	(2,798,805,448)
Fitimi/humbja për periudhën		291,790,254	756,772,440
Totali i kapitalit		**10,709,933,746**	**10,418,143,492**
Detyrimet			
Hua afatgjata	16	5,733,622,500	6,502,437,500
Totali i detyrimeve afatgjata		**5,733,622,500**	**6,502,437,500**
Pjesa afatshkurtër e huave afatgjata	16	696,450,296	708,424,746
Llogari të pagueshme dhe detyrime të tjera	17	146,794,340	141,396,886
Totali i detyrimeve afatshkurtra		**843,244,636**	**849,821,632**
Totali i detyrimeve		**6,576,867,136**	**7,352,259,132**
Totali i detyrimeve dhe kapitalit		**17,286,800,882**	**17,770,402,624**

Pasqyra e pozicionit financiar duhet të lexohet së bashku me shënimet shpjeguese që janë pjesë përbërëse e pasqyrave financiare të paraqitura në faqet në vijim.

Këto pasqyra financiare janë aprovuar nga Drejtimi i Energji Ashta Sh.p.k. më 26 Mars 2026 dhe nënshkruar nga:

Peter Stelzer
Administrator

Peter Loidl
Administrator

Brunila Leskaj
Kontabël I Miratuar
HM&H Business Sh.p.k

HM&H BUSINESS Sh.p.k
NUIS: L31615002K
Rr. Abdi Toptani, Nd. Torre Drin, Kati 4
Tiranë, Shqipëri

(Amounts in ALL, unless otherwise stated)

	Notes	2025	2024
Revenue	18	1,507,562,962	1,790,177,455
Other revenue		-	523,376
Other purchased goods and services		(33,693,541)	(39,439,293)
Personnel costs	19	(63,540,779)	(58,693,505)
Depreciation and amortization	7,8	(781,524,089)	(781,003,094)
Other operating expenses	20	(138,264,578)	(120,435,572)
Results from operating activities		**490,539,975**	**791,129,367**
Interest income		39,089,313	58,254,046
Interest and other charges	21	(243,930,116)	(280,537,099)
Foreign exchange gain/(loss), net	22	57,720,633	322,594,044
Finance costs, net		**(147,120,170)**	**100,310,991**
Profit/(loss) before income tax		**343,419,805**	**891,440,358**
Income tax expenses	23	(22,706,319)	(105,744,165)
Deferred tax expense		(28,923,232)	(28,923,753)
Profit/(loss) for the year		**291,790,254**	**756,772,440**
Other comprehensive income		**-**	**-**
Total comprehensive profit for the period		**291,790,254**	**756,772,440**

The statement of financial performance is to be read in conjunction with the notes to and forming part of the financial statements set out on the following pages.

(Amounts in ALL)

	Share capital	Accumulated losses	Total
Balance as of 01 January 2024	**12,460,176,500**	**(2,798,805,448)**	**9,661,371,052**
Net profit for the year	-	756,772,440	756,772,440
Contributions from the owner	-	-	-
Balance as of 31 December 2024	**12,460,176,500**	**(2,042,033,008)**	**10,418,143,492**
Net profit for the year	-	291,790,254	291,790,254
Contributions from the owner	-	-	-
Balance as of 31 December 2025	**12,460,176,500**	**(1,750,242,754)**	**10,709,933,746**

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on the following pages.

(Amounts in ALL, unless otherwise stated)

	2025	2024
Cash flows from operating activities		
Profit/(loss) before income tax	343,419,805	891,440,358
Adjustments for:		
Depreciation and amortisation (notes 7,8)	781,524,089	781,003,094
Interest expense and other charges	243,930,116	280,537,099
	1,368,874,010	**1,952,980,551**
Changes in:		
Prepayments, receivables, and other assets	(1,710,026)	(125,991,733)
Restricted cash and deposits with banks	(496,397,974)	(2,157,789)
Inventories	516,055	(917,779)
Trade and other payables	5,397,453	(110,202,888)
Cash flows from operations	**876,679,519**	**1,713,710,362**
Current income tax paid	(22,706,319)	(105,744,165)
Interest paid	(243,930,116)	(280,537,099)
Cash flows (used in)/from operating activities	**610,043,084**	**1,327,429,098**
Cash flows from Investing activities		
Acquisition of other tangible assets	(587,636)	(7,202,365)
Acquisition of intangible assets	-	-
Cash flow used in investing activities	**(587,636)**	**(7,202,365)**
Cash flows from financing activities		
Net proceeds from/ (repayments of) borrowings	(780,789,450)	(1,149,970,370)
Proceeds from the issue of capital	-	-
Cash flows from/ (used in) financing activities	**(780,789,450)**	**(1,149,970,370)**
Net increase/ (decrease) in cash and cash equivalents	**(171,334,002)**	**170,256,363**
Cash and cash equivalents beginning of period	176,336,584	6,080,221
Cash and cash equivalents on 31 December (Note 12)	**5,002,582**	**176,336,584**

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on the following pages.

1. GENERAL INFORMATION

Energji Ashta Sh.p.k. (the “Company”) was established on 11 December 2008. The principal office of the Company is in HPP Ashta, Fshati Spathare, Bushat, Shkoder, Albania.

The company is registered at the National Business Center (NBC), with NUIS K82417005V and currently reports to the Large Taxpayers Directorate of Tirana.

Concession arrangement

Based on the Decision of the Council of Ministers No. 1363, dated 22 October 2008 “For the approval of Concession Agreement, between the Ministry of Economy, Trade and Energy and the Österreichische Elektrizitätswirtschafts-Aktiengesellschaft, for the construction, ownership, utilisation and transfer of the project for the new Hydropower plant in Ashta, in the Republic of Albania”, the Government of Albania, represented by the Ministry of Economy, Trade and Energy (“METE”) and the Company entered into a Concession Agreement, dated 17 October 2008 (the “Concession Agreement”).

The main objective of the Company is the execution of the Concession Agreement. The Concession is granted for a period of 35 years, starting from 17 October 2008. Based on the Concession Agreement the Company is entitled to the following:

(i) design, finance, construct, test, own, operate, and maintain the hydropower plant.

(ii) enrich and refurbish the existing objects, to own the enriched and refurbished parts of existing objects in accordance with the law and to use and maintain the existing objects.

(iii) enjoy usufruct.

(iv) have access and use the water in the lowest level of Drin River (within the concession area).

(v) furnish FTL (KESH) with temporary net production of energy and with net production of energy and to collect the related buyer’s payments in accordance with the timing and conditions of Agreement for Sale of Energy and sell to third parties’ net production of electric energy in an open market.

(vi) return to the Government of Albania, the use of the concession area and the right for transfer, and transfer to the Government of Albania the ownership of hydropower plant and existing objects with the expiration of concession period.

(vii) Have the exclusive right over each environment attribute generated by the project, including the related certificates.

The service concession agreement contains a renewal option.

Based on the Off-Take agreement with KESH Sh.a. (“KESH”), dated 30 September 2008, the Company shall invoice the declared output amount at the specified price.

Based on the Agreement dated 13.07.2017 signed between the Contracting Authority, the Concessionaire and Energji Ashta, the Concession Agreement was amended to reflect the transfer of the Purchaser’s rights and obligations under the Off-Take Agreement, from KESH to OSHEE GROUP; the amendment of the Concession Agreement was approved by decision of the Council of Ministers no.30, dated 18.01.2017.

Due to changes in the Albanian electrical energy sector, OSHEE GROUP and FTL agreed with Energji Ashta as seller to transfer the Purchaser’s rights and obligations under the Off-Take Agreement, from OSHEE GROUP to FTL starting form 1 January 2020.

The Company has recognised an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement (see Note 8). The intangible asset represents the right to sell the electricity generated by the concession infrastructure. Capitalised borrowing costs were included in this intangible asset.

1. GENERAL INFORMATION (CONTINUED)

The balance group agreement

Based on the Agreement dated 25.03.2021 signed between KESH and EA KESH will incorporate EA in the KESH balancing energy group and jointly balance the energy flow. The fee for this service is calculated on market basis.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) which is the basis for the Company's statutory reporting.

The Company maintains its accounting records and publishes its statutory financial statements in accordance with the Accounting Law no. 25/2018 dated May 10, 2018 "On Accounting and Financial Statements" that entered in force on January 1, 2019.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Revenues and expenses are not offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the company.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

The presentation currency is Albania Lek ("ALL") being also the functional currency.

d) Management assessment of the ability to continue as going concern

As of 31 December 2025, the Company had accumulated losses of ALL (1,750,242,754) (2024: ALL 2,042,033,008), which are highly attributed to the start-up phase. During 2013, the Company completed the investment and construction phase and started the production and sale of electricity.

Management believes that the Company will be able to generate profits in the future and its ability to continue as going concern will not be impaired. Therefore, the Company has prepared these financial statements on the going concerning basis.

e) New standards, interpretations and amendments effective in the current period

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 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).

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

2. BASIS OF PREPARATION (CONTINUED)

f) Standards issued but not yet effective and not early adopted.

A few new standards are effective for annual periods beginning after January 1, 2025, and their early application is permitted; The amended standards and the following interpretations are not expected to have a significant impact on the Company's financial statements.

- 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). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss.

- 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).

- IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2026).

- 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).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company’s accounting policies, which are described in Note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Uncertainty in judgments
Impairment of non- financial assets
Impairment losses are recognized in the amount for which the carrying value of the asset or the cash generating unit exceeds the recoverable amount. When determining the recoverable amount, the Management evaluates expected prices and cash flows from each cash generating unit and determines an appropriate interest rate when calculating the present value of such cash flows.

Useful life of depreciable and amortizable assets
Management regularly reviews the useful lives of depreciable and amortizable assets as at the statement of financial position date. Management estimates that the determined useful life of assets represents the expected usefulness (utility) of assets. The carrying values of such assets are analysed in Note 7 and 8. However, the factual results may differ due to the technological obsoleteness or other factors.

Impairment of financial assets
Impairment of trade and other receivables
Company calculates impairment for trade and other receivables based on estimated losses resulting from the inability of customers to make required payments. The estimation is based on the ageing of account receivables balance and historical write-off experience, customer creditworthiness and changes in

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

customer payment terms when evaluating the adequacy of the impairment loss for doubtful accounts. These involve assumptions about future customer behavior and the resulting future cash collections. If the financial condition of customers were to deteriorate, actual write-offs of currently existing receivables may be higher than expected and may exceed the level of the impairment losses recognized so far.

Inventories

Inventories are initially recognised at cost, which consists of cost of purchase plus direct costs like transport and parking during transport, excise tax, cost of quality analysis on import and custom agency fee.

Inventories are subsequently recorded at the lower of cost and net realizable value. When determining the net realizable value, management considers the most objective evidence / data available at the making the estimates are taken.

Net realisable value is estimated as the selling price in the normal course of activity fewer necessary expenses for finishing and selling the goods.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Foreign currency transactions

Transactions denominated in foreign currencies have been translated into Albanian Lek (ALL) at the exchange rate at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Albanian Lek (ALL) at the Bank of Albania exchange rate on the last day of the reporting period. All gains and losses resulting from foreign currency translation or exchange are included in the statement of comprehensive income as financial income or expenses in the period in which they arose.

Official exchange rates for major currencies for the translation of the balance sheet items denominated in foreign currencies were as follows (in ALL):

	31 December 2025	31 December 2024
1 EUR	96.77	98.15

b) Intangible assets

(i) Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement when it has a right to sell the electricity generated by the concession infrastructure. This is not an unconditional right to receive cash, as it is dependent on the quantity of electricity generated by the hydro power plant. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at cost.

(ii) Subsequent expenditure

After initial recognition, the intangible asset is measured at amortised cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses, if any.

(iii) Amortisation

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company can use the infrastructure to the end of the concession period. Amortisation is calculated using the straight-line method and is recognised in profit or loss. The estimated useful life for the concession period as of 31 December 2014 is 29 years.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Property and equipment

(i) Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation (see below) and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour (if involved), any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs related to the acquisition, construction or productions of qualifying assets. Capital expenses occurred during the construction of the asset, are capitalized in "Work in progress" and transferred in the respective assets category when the construction will end. The asset will be amortized according to the category that will be classified.

When parts of an item have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount and are recognised net within other income in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured with accurately. Ongoing maintenance costs of long-lived assets are recognized in the statement of performance as incurred.

(ii) Depreciation

Depreciation of tangible assets is calculated using straight-line method, for the current and comparative period, with rates as follows:

	2025: In %	2024: In %
• Other tangible asstes	20%-25%	20%-25%

Useful lives, depreciation methods and residual values, unless immaterial, are reassessed at the reporting date. Land and work in progress are not depreciated.

d) Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal course of business less costs of termination and selling expenses. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

e) Financial instruments

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The Company initially recognizes trade and other receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit and loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial instruments (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
Non-derivative financial instruments of the Company comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

f) Impairment

Financial assets
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between it carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in the statement of comprehensive income (in profit or loss) and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount.
When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

In respect of other assets, an impairment loss is reversed if there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

g) Shareholder's equity

Shareholders' equity consists of cash contributed by the Company's founders. Shareholders' equity is carried at the translated ALL amount of the foreign currency received, using the exchange rate at the date of transaction.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Provisions for risks

A provision is recognized if, because of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. Provisions are not recognized for future operating losses.

i) Revenue

Revenues are recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible returns can be estimated reliably, there is no continuing management involvement with the sold electricity, and the amount of revenue can be measured reliably. Revenues are measured net of returns, trade discounts and volume compensations. For sales of electricity, the transfer usually occurs when the actual quantity of energy is injected into the transmission network and is measured at the delivery point. Compensations received and paid based on the Off-Take agreement with FTL are recognised as described in Note 1.

j) Employee benefits

Compulsory social security contributions

The Company makes only compulsory social security contributions that provide pension benefits for employees upon retirement. The Government of Albania is responsible for providing the legally set minimum threshold for pensions in Albania under a defined contribution pension plan. The Company's contributions to the pension plan are charged to profit or loss as incurred.

k) Operating expenses

Operating expenses are recognized when incurred.

l) Financial income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance expenses comprise interest expense, bank charges and foreign currency losses.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

m) Income tax expense

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current income tax applicable is calculated at 15 % (2024: 15%) on the taxable profit.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. SIGNIFICANT ACCOUNTING POLICIES *(*CONTINUED)

m) Income tax expense (continued)

In determining the amount of current and deferred tax the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

n) Commitments and contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. The amount of a contingent loss is recognized as a provision if it is probable that future events will confirm that, a liability incurred as at the financial position date and a reasonable estimate of the amount of the resulting loss can be made.

o) Related party transactions

Related parties are those where one of the parties is controlled by the other or has significant influence in making financial or business decisions of the other party.

p) Events after the reporting period

Post-year-end events that provide additional information about a company's position at the financial position date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

5. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- market risk
- liquidity risk
- credit risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

- *Market risk*

Market risk is the risk of loss that results from changes in market prices, foreign exchange rates, interest rates and equity prices.

The level of market risk to which the Company is exposed at a point in time varies depending on market conditions, expectations of future price or market rate movements and the composition of the Company's physical assets and contracts that the Company has entered. Management sets limits on the value of risk that may be accepted, which is monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Foreign exchange risk

Most of the Company's transactions are incurred in EUR and ALL currency. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. As borrowings are denominated in EUR, and operation conducted in ALL, there is a risk of foreign currency mismatches. As the reporting currency is ALL, the management assess that the foreign exchange risk might be an issue for the Company. The Company receives income in the same currency as the Debt payable and therefore it reduces the risk of losses from exchange rates. The positions are monitored on a regular basis.

The following significant exchange rates were applied during the period:

	Average rate		**Reporting date spot rate**	
	2025	**2024**	**2025**	**2024**
ALL / EUR	96.54	98.30	96.77	98.15

The Company's exposure to foreign exchange risks as of 31 December 2025 and 2024 was as follows:

31.Dec.25	**Euro**	**ALL**	**Total**
	(amounts translated in ALL)		
Financial assets			
Cash and cash equivalents	1,472,098	3,530,484	5,002,582
Trade receivables	494,144,911	-	494,144,911
Restricted cash and deposits with banks	469,000,934	32,565,579	501,566,513
Other assets	1,624,441,272	173,696,302	1,798,137,574
	2,589,059,215	**209,792,365**	**2,798,851,580**
Financial liabilities			
Trade and other payables	17,245,873	129,548,467	146,794,340
Borrowings	6,430,072,796	-	6,430,072,796
	6,447,318,669	**129,548,467**	**6,576,867,136**
Net exposure 31 December 2025	**(3,858,259,454)**	**80,243,898**	**(3,778,015,556)**

31.Dec.24	**Euro**	**ALL**	**Total**
	(amounts translated in ALL)		
Financial assets			
Cash and cash equivalents	170,664,871	5,671,713	176,336,584
Trade receivables	282,778,530	-	282,778,530
Restricted cash and deposits with banks	-	5,168,539	5,168,539
Other assets	1,893,105,385	114,039,817	2,007,145,202
	2,346,548,786	**124,880,069**	**2,471,428,855**
Financial liabilities			
Trade and other payables	90,829,186	50,567,700	141,396,886
Borrowings	7,210,862,246	-	7,210,862,246
	7,301,691,432	**50,567,700**	**7,352,259,132**
Net exposure 31 December 2024	**(4,955,142,646)**	**74,312,369**	**(4,880,830,277)**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Foreign exchange risk (continued)

In managing currency risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer-term, however, permanent changes in foreign exchange rates might have an impact on profit. A strengthening or weakening of ALL, as indicated below against Euro would have respectively decreased or increased equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances of 10% that the Company considered to be reasonably possible at the end of the reporting period.

In ALL	**31.Dec.25**		**31.Dec.24**	
	Increase	Decrease	Increase	Decrease
EUR	(385,825,945)	385,825,945	(495,514,264)	495,514,264

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has two long term debts the interest rate of which is fixed, therefore a change in the market interest rates would not affect the capital and the profit/(loss) before taxes of the Company.

(iii) Capital management

The Company's policy is to maintain a strong capital base, to maintain the credibility of investors, creditors and the market and to maintain future business developments. There were no changes in the Company's method regarding capital management during the year.

- *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is exposed to daily calls in its available cash resources, mainly to settle its operating expenses incurred on its ordinary activity and to repay back its two long term debts.
The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and severe conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company expects to meet its liabilities using expected cash flows resulting from operations.
The following table shows the discounted cash flows on the Company's financial liabilities based on their earliest possible contractual maturity or expected cash flow.

31.Dec.25	**Up to 3 months**	**Between 3 months and 1 year**	**More than 1 year**	**Total**
Financial liabilities				
Trade and other payables	75,756,396	-	71,037,944	146,794,340
Borrowings	188,407,796	508,042,500	5,733,622,500	6,430,072,796
Total financial liabilities	**264,164,192**	**508,042,500**	**5,804,660,444**	**6,576,867,136**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

31.Dec.24	Up to 3 months	Between 3 months and 1 year	More than 1 year	Total
Financial liabilities				
Trade and other payables	70,358,942	-	71,037,944	141,396,886
Borrowings	193,137,246	515,287,500	6,502,437,500	7,210,862,246
Total financial liabilities	**263,496,188**	**515,287,500**	**6,573,475,444**	**7,352,259,132**

- *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable and cash at bank.

The individual exposure limits of each party are constantly monitored and reported regularly to management.

The Company limits its exposure to credit risk from trade receivables by setting a payment period of one month. The Company's exposure as of 31 December 2025 and 2024 is as follows:

Classes of financial assets - carrying amounts:	2025	2024
Cash and cash equivalents	5,002,582	176,336,584
Restricted cash and deposits with banks	501,566,513	5,168,539
Other assets	1,798,137,574	2,007,145,202
Trade receivables	494,144,911	282,778,530
Total	**2,798,851,580**	**2,471,428,855**

Management expects to collect all receivables that are outstanding at year end. Receivables are mainly due from contractual partners. Trade receivables as of 31 December 2025 according to their due date are as follows:

	2025	%	2024	%
Less than 1 month	-	0%	-	0%
1 to 3 months	494,144,911	100.00%	282,778,530	100%
Above 3 months	-	0%	-	0%
Total	**494,144,911**	**100.00%**	**282,778,530**	**100.00%**

6. FAIR VALUE ESTIMATION

Fair value represents the amount at which an asset could be replaced or a liability settled on an arm's length basis. Fair values have been based on management assumptions according to the profile of the asset and liability base.

(i) Financial instruments presented at fair value

The financial assets measured according to the fair value are in accordance with the hierarchy of the fair value which groups the financial assets and liabilities into three levels based on the significance of the incoming data used during the measurement of the fair value of the financial assets. Fair value hierarchy is as follows:

(Amounts in ALL, unless otherwise stated)

6. FAIR VALUE ESTIMATION (CONTINUED)

(i) Financial instruments presented at fair value (continued)

- Level 1: quoted prices (not adjusted) on the active markets for identical assets or liabilities.
- Level 2: other incoming data, aside from quoted prices, included in Level 1 which are available for asset or liability observing, directly (i.e. as prices), or indirectly (i.e. made of prices) and
- Level 3: incoming data on the asset or liability that are not based on data available for market observing.

The following table summarises the carrying amounts and fair values to those financial assets and liabilities that are not presented on Statement of financial position at their fair value.

	Carrying value		**Fair value**	
	2025	**2024**	**2025**	**2024**
Trade receivables and other assets	2,292,282,485	2,289,923,732	2,292,282,485	2,289,923,732
Restricted cash and deposits	501,566,513	5,168,539	501,566,513	5,168,539
Cash and cash equivalents	5,002,582	176,336,584	5,002,582	176,336,584
Total assets	**2,798,851,580**	**2,471,428,855**	**2,798,851,580**	**2,471,428,855**
Trade payables and other liabilities	146,794,340	141,396,886	146,794,340	141,396,886
Borrowings	6,430,072,796	7,210,862,246	6,430,072,796	7,210,862,246
Total liabilities	**6,576,867,136**	**7,352,259,132**	**6,576,867,136**	**7,352,259,132**

Trade and other receivables

Trade and other receivables are carried at amortised cost, minus the provisions for impairment. Their fair value corresponds to their carrying value due to their short-term maturity.

Cash and cash equivalents

The fair value of monetary assets that includes cash equivalents is considered to approximate their respective carrying values due to their maturity of less than 3 months.

Trade, other payables and debt payable

Carrying value of trade and loans payable approximates their fair value.

(i) Financial assets by categories

The carrying amounts of the Company's financial assets and liabilities as recognised at the financial position date of the reporting periods under review may also be categorised as follows:

31 December 2025	Financial instruments at amortised cost	Financial assets at fair value through profit or loss	Debt instruments/ Equity instruments at fair value through OCI	Total
Assets according to the statement of financial position				
Trade receivables and other assets	2,292,282,485	-	-	**2,292,282,485**
Restricted cash and deposits	501,566,513	-	-	**501,566,513**
Cash and cash equivalents	5,002,582	-	-	**5,002,582**
	2,798,851,580	**-**	**-**	**2,798,851,580**

Liabilities according to the statement of financial position	Financial liabilities at fair value through profit or loss	Other financial liabilities at amortised cost	Total
Trade payables and other liabilities	-	146,794,340	**146,794,340**
Borrowings	-	6,430,072,796	**6,430,072,796**
	-	**6,576,867,136**	**6,576,867,136**

31 December 2024 **Assets according to the statement of financial position**	Debt instruments at amortised cost	Financial assets at fair value through profit or loss	Debt instruments/ Equity instruments at fair value through OCI	Total
Trade receivables and other assets	2,289,923,732	-	-	**2,289,923,732**
Restricted cash and deposits	5,168,539	-	-	**5,168,539**
Cash and cash equivalents	176,336,584	-	-	**176,336,584**
	2,471,428,855	**-**	**-**	**2,471,428,855**

Liabilities according to the statement of financial position	Financial liabilities at fair value through profit or loss	Other financial liabilities at amortised cost	Total
Trade payables and other liabilities	-	141,396,886	**141,396,886**
Borrowings	-	7,210,862,246	**7,210,862,246**
	-	**7,352,259,132**	**7,352,259,132**

7. PROPERTY, PLANT AND EQUIPMENT

	Electrical installations	Vehicles	Office equipment	IT equipment	Total
Cost					
As of 1 January 2024,	**-**	**61,891,654**	**36,547,837**	**1,827,049**	**100,266,540**
Additions	-	6,352,146	850,219	-	**7,202,365**
Disposals	-	-	-	-	**-**
As of 31 December 2024,	**-**	**68,243,800**	**37,398,056**	**1,827,049**	**107,468,905**
Additions	-	68,648	518,987	-	**587,635**
Disposals	-	-	-	-	**-**
As of 31 December 2025,	**-**	**68,312,448**	**37,917,043**	**1,827,049**	**108,056,540**
Accumulated depreciation and impairment					
As of 1 January 2024,	**-**	**(49,970,095)**	**(28,586,675)**	**(1,677,465)**	**(80,234,235)**
Disposals	-	-	-	-	**-**
Depreciation charge for the year	-	(3,253,960)	(1,879,944)	(37,396)	**(5,171,300)**
As of 31 December 2024,	**-**	**(53,224,055)**	**(30,466,619)**	**(1,714,861)**	**(85,405,535)**
Disposals	-	-	-	-	**-**
Depreciation charge for the year	-	(3,666,182)	(1,988,717)	(37,396)	**(5,692,295)**
As of 31 December 2025,	**-**	**(56,890,237)**	**(32,455,336)**	**(1,752,257)**	**(91,097,830)**
Carrying amounts					
As of 1 January 2024,	**-**	**11,921,559**	**7,961,162**	**149,584**	**20,032,305**
As of 31 December 2024,	**-**	**15,019,744**	**6,931,437**	**112,188**	**22,063,370**
Aa of 31 December 2025	**-**	**11,422,210**	**5,461,707**	**74,792**	**16,958,710**

8. INTANGIBLE ASSETS

	Total
Cost	
As of 1 January 2024,	**30,302,466,251**
Disposals	-
Additions	-
As of 31 December 2024,	**30,302,466,251**
Disposals	-
Additions	-
As of 31 December 2025,	**30,302,466,251**
Accumulated depreciation and impairment	
As of 1 January 2024,	**(14,992,007,418)**
Depreciation charge for the year	(775,831,794)
Depreciation on disposal of intangible assets	-
As of 31 December 2024,	**(15,697,839,212)**
Depreciation charge for the year	(775,831,794)
Depreciation on disposal of intangible assets	-
As of 31 December 2025,	**(16,473,671,006)**
Carrying amounts	
As of 1 January 2024,	**15,380,458,833**
As of 31 December 2024,	**14,604,627,039**
As of 31 December 2025,	**13,828,795,245**

In prior years, the decreasing expectations for Energji Ashta Shpk with respect to income from the sale of certified emission reductions (CERs) were indicative of impairment, as were the investment expenditure and the country risk impacting the discount rate. As of 31 December 2013, the accumulated impairment losses for property, plant and equipment amounted to ALL 5,919,292,889. Following the impairment test performed in 2015, no further impairment was identified and recognised.

The determination of the value in use was based on constant output over the planning period corresponding to the average energy capability. The planning period included the expected term of the hydropower plant concession. The value in use was determined using the Discounted Cash Flow method at a discount rate before taxes for the planning period in the range of 8.75% to 9.75% p.a.

The key valuation assumptions underlying the determination of the recoverable amount include the electricity price forecasts for the period following the end of the electricity purchase agreement with FTL (note 1) and the discount rate. The prices for the first 15 years after commissioning were determined based on the electricity purchase agreement with FTL; electricity prices for the subsequent years were determined based on an internally developed energy market model.

As of 31 December 2025, and 31 December 2024 the Management concluded that no further impairment was identified, and no further impairment was recognized.

9. INVENTORIES

Inventories comprise of various spare parts and consumables that are necessary for the maintenance of the Plant.

Inventories can be further split as follows:

	31.Dec.25	31.Dec.24
Oils and lubricants	397,600	411,240
Chemicals	917,412	952,172
Electrical materials & electric spare parts	76,558,714	74,387,202
Spares & metal materials	42,150,714	44,789,879
Total	**120,024,440**	**120,540,493**

10. PREPAYMENTS AND DEFERRED EXPENSES

Prepayments are further split as follows:

	31.Dec.25	31.Dec.24
Prepayments of fees from Related Parties	5,342,511	5,991,239
Total	**5,342,511**	**5,991,239**

11. TRADE RECEIVABLES

	31.Dec.25	31.Dec.24
Trade receivables	494,144,911	282,778,530
Total	**494,144,911**	**282,778,530**

Trade receivables are composed only from the client FTL, which is the sole purchaser of the energy as explained in Note 1. FTL has provided the Company with a Letter of Guarantee issued from CREDINS Bank in the amount of EUR 3.71 million valid until 16.02.2027 in connection with the Purchaser's obligation under the Off-Take Agreement.

12. OTHER ASSETS

	31.Dec.25	31.Dec.24
Prepayments to corporate income tax	173,696,302	114,039,817
Receivables from related parties	1,624,441,272	1,893,056,997
Employee prepayments	-	48,383
Total	**1,798,137,574**	**2,007,145,202**

Receivables from related parties represent the balance of an account with VERBUND Finanzierungsservice GmbH. This account is used to collect or settle payments with third parties or related parties, and to receive funds from the owners. These balances are denominated in EUR. Interest on the Cleaning Account Balance accrues at the applicable interest rate, which is on arm's length terms. Such interest rate is determined based on the group directive of the VERBUND-group in its current version's shall inform Ashta of any amendments to this group directive.

Prepayments to corporate income tax related to tax litigation that are currently in ongoing process.

12. OTHER ASSETS (CONTINUED)

Interest is calculated based on the actual number of days elapsed and a year of 360 days (act/360) in arrears and shall be payable at the end of each interest period (currently, one calendar month)
Prepayments to corporate income tax represent payments for income tax made during the previous year's 2018-2019, periods where the Company does not result with taxable profit due to open court cases, these amount of prepayments has not been taken in consideration as reduction of the corporate income tax of the year 2022, because that amount is used as deduction of liabilities of tax assessment made by the tax authorities, assessment nr 1854/12 dated on 01.12.2022.

13. RESTRICTED CASH AND DEPOSITS

	31.Dec.25	31.Dec.24
Guarantee for The Large Taxpayers Directorate	29,565,579	2,168,539
Guarantee for the Ministry of Energy and Infrastructure	464,496,000	-
Interest Accrued	4,504,934	-
Deposit	3,000,000	3,000,000
Total	**501,566,513**	**5,168,539**

On 19 May 2025, Raiffeisen Bank issued a Letter of Guarantee amounting to EUR 4.8 million, valid until 4 July 2028, in favor of the Ministry of Energy and Infrastructure. The guarantee is secured by cash collateral.

During the year 2018 the Company was subject to tax audit for the period 2012-2016 for corporate income tax as well as for the period April 2014-June 2017 for taxes and other fees. Bank guarantee at the amount of 2,168,539 ALL as of December 31, 2024, consists of amounts held at Raiffeisen Bank Albania in favour of the Large Taxpayers Directorate, in view of the tax appeal process the Company is involved in.

During 2025, the Company received a tax assessment notice for withholding and corporate income taxes relating to the year 2022. A bank guarantee of ALL 27,397,040, dated 20 November 2025, has been issued and is secured by funds held at Raiffeisen Bank Albania in favor of the Large Taxpayers Directorate, in connection with the ongoing tax appeal involving the Company.

14. CASH AND CASH EQUIVALENTS

	31.Dec.25	31.Dec.24
Current accounts		
In ALL	3,530,484	5,671,713
In Euro	1,472,098	170,664,871
Total	**5,002,582**	**176,336,584**

15. SHARE CAPITAL

The paid-up capital is registered in Albanian LEK. Energji Ashta Sh.p.k. was originally owned by VERBUND-International GmbH. Certain subsequent transfers of share capital, were based on share purchase agreements as follows:

- 20 April 2010: 50% of the share capital was transferred from VERBUND-International GmbH to EVN AG.
- 13 January 2011: 50% of the share capital was transferred from VERBUND-International GmbH to VERBUND Hydro Power GmbH (former AG).
- 6 September 2011: VERBUND Hydro Power GmbH (former AG) and EVN AG transferred 100% of the shares to Ashta Beteiligungsverwaltung GmbH (the 'Parent'), whilst the latest remains under ownership of these companies or 100% owned daughter companies.

15. SHARE CAPITAL (CONTINUED)

- 20 October 2015: Based on the Shareholder's Decision, the share capital of the Company was increased through cash contribution for an amount of ALL 1,677,720,000

The shareholding structure is as follows:

	31.Dec.25		31.Dec.24	
	Total in ALL	**%**	**Total in ALL**	**%**
Ashta Beteiligungsverwaltung GmbH	12,460,176,500	100	12,460,176,500	100

16. LONG TERM BORROWINGS

	31.Dec.25	31.Dec.24
VERBUND AG	3,215,036,398	3,605,431,123
Raiffeisen Bank International	3,215,036,398	3,605,431,123
Total	**6,430,072,796**	**7,210,862,246**
Short-term portion	**696,450,296**	**708,424,746**
Long-term portion	**5,733,622,500**	**6,502,437,500**

Borrowings were obtained from the following entities: On November 15, 2019, VERBUND AG and Raiffeisen Bank International AG each provided the Company with EUR 6 million as the initial drawdown on a credit facility totalling EUR 46.25 million. The second drawdowns, amounting to EUR 40.25 million each, were disbursed on April 19, 2022. These funds were utilized to refinance the final repayment instalments of loans originating in 2013. The credit facility features a fixed interest rate of 1.39% per annum, with quarterly repayments commencing in April 2022 and maturing in October 2029. The borrowings are secured by guarantees from the Parent Company's Shareholders, who levy a fee of 2% on the outstanding balance for these guarantees

17. TRADE PAYABLES AND OTHER LIABILITIES

	31.Dec.25	31.Dec.24
Accrued expenses	83,196,282	84,621,707
VAT Payable	44,583,146	46,332,131
Payables to suppliers	10,797,905	7,924,982
Social insurances payable	933,205	862,111
Personal income tax payable	527,495	458,748
Other tax and liabilities	6,756,306	1,197, 205
Total	**146,794,339**	**141,396,886**

18. REVENUE

	Year ended 31.Dec.25	Year ended 31.Dec.24
Sale of energy	1,507,562,962	1,790,177,455
Other revenue	-	523,376
Total	**1,507,562,962**	**1,790,700,831**

Revenues from the sale of energy derive from the License for Electricity Generation. The revenues for the two other licenses of the Qualified Electricity Supplier and Electricity Trading are zero.

19. PERSONEL COSTS

	Year ended 31.Dec.25	Year ended 31.Dec.24
Salaries and bonus	55,807,428	51,082,185
Statutory social security	6,358,131	6,156,440
Other personnel expenses	1,375,220	1,454,880
Total	**63,540,779**	**58,693,505**

Other personnel expenses are related to voluntary health insurance as of 31 December 2025. The Company employees 20 staff (2024: 21).

20. OTHER OPERATING EXPENSES

Other operating expenses comprise the following:

	Year ended 31.Dec.25	Year ended 31.Dec.24
Professional consulting services	26,057,374	24,961,228
Maintenance and repair	51,824,220	34,949,698
Expenses for insurance	15,092,096	15,325,113
Taxes and other tariffs	8,920,909	8,680,379
IT related services	6,061,971	6,027,412
Vehicle related expenses	4,209,372	4,296,143
Post and telephone expenses	3,009,469	3,111,897
Office supplies	2,974,495	3,121,929
Audit fee	930,145	946,200
Transport costs	2,820,823	2,774,817
Training expenses	1,752,884	1,907,084
Sponsorship	-	195,290
Travel and per diem expenses	1,597,599	1,068,518
Doctor´s fee & medicines	883,890	935,980
Bank charges	409,566	297,040
Representation expenses	776,682	868,145
Penalties	36,796	282,319
Security services	9,936,830	5,645,924
Other	969,457	5,040,456
Total	**138,264,578**	**120,435,572**

21. INTEREST AND OTHER CHARGES

	Year ended 31.Dec.25	Year ended 31.Dec.24
Interest expenses for debt (VERBUND AG)	121,965,058	140,268,550
Interest expenses for debt (Raiffeisen Bank International)	121,965,058	140,268,549
Total	**243,930,116**	**280,537,099**

(Amounts in ALL, unless otherwise stated)

22. FOREIGN EXCHANGE GAIN/ (LOSS), NET

The amount is detailed as follows:

	Year ended 31.Dec.25	Year ended 31.Dec.24
Foreign exchange gain (reporting date)	3,038,658	(3,600,000)
Foreign exchange gain (from redemption)	161,304,594	141,302,094
Foreign exchange gain (realization)	7,687,964	180,617,215
Foreign exchange gain	**172,031,216**	**318,319,309**
Foreign exchange loss (reporting date)	(104,934,104)	194,045,859
Foreign exchange loss (realization)	(9,376,478)	(189,771,124)
Foreign exchange loss	**(114,310,582)**	**4,274,734**
Foreign exchange gain/loss), net	**57,720,633**	**322,594,044**

23. INCOME TAX EXPENSE

The Company determines taxation at the end of the year in accordance with the Albanian tax legislation. In 2025 Albanian corporate tax rate was equal to 15% of taxable result (2024: 15%). The following is a reconciliation of income taxes calculated at the applicable tax rate to income tax expense:

	Year ended 31.Dec.25	Year ended 31.Dec.24
Profit/(loss) before income tax	**343,419,805**	**891,440,358**
Non-deductible expenses	**2,202,625**	**2,649,665**
Transport expenses	1,389,147	1,303,911
Representative expenses	776,682	868,145
Penalties	36,796	282,319
Sponsorship	-	195,290
Additional tax expenditure	**(192,821,546)**	**(192,821,545)**
Changes in provisions	**(1,425,426)**	**3,692,622**
Accumulated Losses	**-**	**-**
Taxable profit/(loss)	**151,375,458**	**704,765,810**
Income tax at 15% (2024: 15%)	**22,706,319**	**105,744,165**

Income tax expense for 2025 and 2024 is composed as follows:

	31.Dec.25	31.Dec.24
Income tax expense	22,706,319	105,744,165
Deferred tax expense	28,923,232	28,923,753
Total	**51,629,551**	**134,667,918**

23. INCOME TAX EXPENSE (CONTINUED)

The deferred tax asset recognised is attributable to the following items:

	31.Dec.25	31.Dec.24
Intangible asset		
Balance sheet	13,828,795,245	14,604,627,039
Tax base	17,274,317,888	18,242,971,228
Temporary difference	3,445,522,643	3,638,344,188
Deferred tax asset (at 15% tax rate)	**516,828,396**	**545,751,628**

24. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has no material commitments outstanding at the date of the statement of financial position that are not reflected in the financial statements.

Tax liabilities

The Company's tax books and records for the financial year ending 31 December 2025 have not been audited by the local tax authorities. Consequently, the Company's tax liabilities may not be considered final.

The Company is involved in several legal and tax proceedings arising in the ordinary course of business.

Provisions

Based on external legal advice and management's assessment, provisions have been recognized for certain tax and legal cases where an outflow of economic resources is considered probable and the amount can be reliably estimated, in accordance with IAS 37.

These cases primarily relate to:

- Tax reassessments for multiple fiscal years (2012–2016, 2019–2020, and 2021), where the tax authorities have challenged the Company's treatment of income recognition, deductibility of expenses, and reported losses, resulting in additional tax liabilities and penalties.

These matters are at various stages of administrative and judicial review. While the Company has presented arguments in its defense, management has assessed that, for certain cases, an outflow is more likely than not; accordingly, provisions have been recognized.

Contingent liabilities

The Company is contesting a tax assessment issued by the Albanian tax authorities in respect of withholding tax for the 2022 financial year. Following the decision of the Tax Appeals Commission dated 24 February 2026, the withholding tax assessment was upheld, while certain corporate income tax adjustments were invalidated.

The estimated exposure relating to the upheld portion amounts to ALL 16,438,225. The Company has initiated legal proceedings to challenge this assessment.

The dispute primarily relates to the interpretation and application of the Double Taxation Treaty and associated procedural requirements. Based on external legal advice and management's assessment, it is not probable that an outflow of economic resources will be required; accordingly, no provision has been recognized.

The final outcome remains uncertain and will depend on the resolution of the court proceedings.

25. RELATED PARTY TRANSACTIONS

The Company received financing from related parties and guarantees for the borrowings received (see notes 9 and 13). Expenses from and liabilities to related parties were as follows:

	31.Dec.25	31.Dec.24
Assets		
VERBUND Finanzierungsservice GmbH	1,617,331,363	1,893,056,996
EVN AG	7,109,908	
Total	**1,624,441,271**	**1,893,056,996**

	31.Dec.25	31.Dec.24
Liabilities		
VERBUND AG	3,215,036,399	3,605,431,123
Total	**3,215,036,399**	**3,605,431,123**

25. RELATED PARTY TRANSACTIONS (CONTINUED)

	31.Dec.25	31.Dec.24
Operational services		
VERBUND Hydro Power GmbH	8,586,260	5,762,728
VERBUND Services GmbH	7,979,918	7,108,869
VERBUND Finanzierungsservice GmbH	208,376	217,745
Total	**16,774,554**	**13,089,342**

Finance expenses	**Year ended 2025**	**Year ended 2024**
VERBUND AG	52,475,538	61,308,960
EVN AG	70,736,973	82,604,786
VERBUND Hydro Power GmbH	68,498,564	77,897,718
Total	**191,711,075**	**221,811,464**

26. EVENTS AFTER THE REPORTING DATE

There are no significant subsequent events after the reporting date which requires adjustment or disclosure in these financial statements.