

UNITSKY STRING TECHNOLOGIES INC.

Consolidated financial statements for the year
ended 31 December 2024
prepared in accordance with
International Financial Reporting
Standards

May 2025

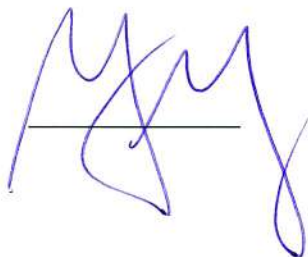
Statement of Management's Responsibility

The management of Unitsky String Technologies Inc. (hereinafter - "the Company") is responsible for preparing the consolidated financial statements of the Company. The consolidated financial statements on pages 7 - 51 represent fairly the consolidated financial position of the Company as at 31 December 2024, results of its operations and cash flows for the year ended 31 December 2024, in accordance with International Financial Reporting Standards.

The management of the Company confirms the consistent application of the relevant accounting policies. Reasonable and prudent judgments and estimates have been made in the preparation of the consolidated financial statements. The management also confirms that the Company's consolidated financial statements have been prepared on a going concern basis.

The management of the Company is responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

N. Kosareva
Director General



E. Bardier
Chief Accountant



30 May 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Unitsky String Technologies Inc.

To the Members of the Board of Directors of Unitsky String Technologies Inc.

To the Director General Nadezhda Kosareva

To the Chief Accountant Elena Bardier

Ref. number: 04-05/41

Date: 30 May 2025

Qualified Auditor's Opinion

We have audited the consolidated financial statements of Unitsky String Technologies Inc. and its subsidiaries (hereinafter - "the auditee", "the Group"), which comprise:

- ▶ the consolidated statement of financial position as at 31 December 2024;
- ▶ the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2024; and
- ▶ notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion section, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the auditee as at 31 December 2024, its financial performance and the changes in its financial position, cash flows for the year then ended in accordance with International Financial Reporting Standards (hereinafter - "IFRSs").

¹ Location: Republic of Belarus, 222838, Minsk region, Pukhovichi district, Novoselkovsky village council, 35, district Zorny Shlyakh str., Maryina Gorka. Information on the state registration: date of the state registration: 12.02.2015, registration number in the Unified state register of legal entities and individual entrepreneurs: 192425076.

Basis for Qualified Opinion

Impairment and disclosures of "Development costs"

In accordance with IAS 36 "Impairment of Assets", irrespective of whether there is any indication of impairment, an entity shall test an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

The management of the Company did not test "Development costs" for impairment.

The carrying amount of "Development costs" as at 31 December 2024 is 29,440 thousand US dollars (as at 31 December 2023: 28,821 thousand US dollars).

Due to the aforementioned circumstances, we have not been able to reliably estimate the amount of impairment of "Development costs", and therefore determine whether the financial results for 2024 and 2023 years, as well as "Development costs" and retained loss as at 31 December 2024 and 31 December 2023, as recorded in the accompanying consolidated financial statements, may need to be adjusted.

The notes to the consolidated financial statements do not disclose information on intangible assets in the form of development costs in accordance with IAS 38 "Intangible Assets".

Basis for Qualified Opinion (ending)

We conducted our audit in accordance with the requirements of the Law of the Republic of Belarus “On Auditing Activities”, the National rules of auditing in force in the Republic of Belarus and International Standards on Auditing (hereinafter - “ISAs”). Our responsibilities under those requirements are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We observed the principle of independence in relation to the auditee in accordance with the requirements of the Law of the Republic of Belarus “On Auditing Activities”, the National rules of Auditing and the International Code of Ethics for Professional Accountants adopted by the International Ethics Standards Board for Accountants, and we observed other principles of professional ethics in accordance with these requirements.

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

Responsibilities of the Auditee for the Preparation of the Consolidated Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the 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 consolidated financial statements, the 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 the 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 auditee’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement, whether due to fraud and (or) error, and to issue an auditor’s report that includes our opinion expressed in the prescribed form. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the National rules of Auditing approved by the Ministry of Finance of the Republic of Belarus and 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 the users of these financial statements taken on its basis.

As part of an audit in accordance with the Law of the Republic of Belarus “On Auditing Activities”, the National rules of Auditing approved by the Ministry of Finance of the Republic of Belarus and ISAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud and (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 sophisticated and carefully organized schemes designed to conceal it.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (ending)

- ▶ Obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements 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 internal control system.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- ▶ Conclude on the appropriateness of the 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 consolidated 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 auditee to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Engagement Partner
(power of attorney No. 36-11-24
dated 27.11.2024)

Engagement Manager



Dmitry Bekeshko
(qualification certificate of the auditor
No. 0002114)

Inna Mandrik
(qualification certificate of the auditor
No. 0002371)

Auditor's report date: 30 May 2025

Place of issue: Minsk, Republic of Belarus

Date of receipt by the auditee: 30 May 2025

Chief Accountant of Unitsky String Technologies Inc.,
Bardier Elena

Signature 

INFORMATION ABOUT THE AUDITOR:

Name:

Business Assurance CJSC

Location:

103 Pobediteley ave., floor 8, office 7, Minsk, 220020, Republic of Belarus

Date of state registration:

Certificate on the state registration issued by Minsk City Executive Committee dated 27.05.2025

Registration number in the Unified State Register of Legal Entities and Individual Entrepreneurs

190241132

Registration number in the register of audit entities

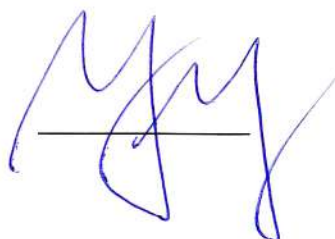
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Consolidated statement of comprehensive income

		For the year ended 31 December 2024	For the year ended 31 December 2023
	Note	USD'000	USD'000
Revenue	6	8,272	9,164
Cost of sales	7	(2,147)	(4,707)
GROSS PROFIT		6,162	4,457
Administrative expenses	8	(4,702)	(5,186)
Commercial expenses	9	(1,127)	(1,053)
Other operating income	10	182	1,670
Other operating expenses	11	(1,956)	(2,933)
Profit (Loss) from operating activities		(1,478)	(3,045)
Investment income and finance income	12	205	158
Finance expenses	13	(356)	(250)
Profit (loss) from investment and financing activities		(151)	(92)
Foreign exchange differences, net		132	1,232
Share of profit (loss) of equity accounted associates	18	225	218
PROFIT (LOSS) BEFORE TAX		(1,272)	(1,687)
Income tax benefit / (expenses)	14	-	-
NET PROFIT (LOSS) FOR THE YEAR		(1,272)	(1,687)
Other comprehensive income/(expenses):			
<i>Other comprehensive income / (expenses) that may not be subsequently reclassified to profit or loss:</i>			
Presentation currency translation effect differences		(4,132)	(7,884)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(5,404)	(9,571)

The accompanying notes on pages 13 to 51 form an integral part of these consolidated financial statements.

N. Kosareva
Director General



E. Bardier
Chief Accountant



30 May 2025

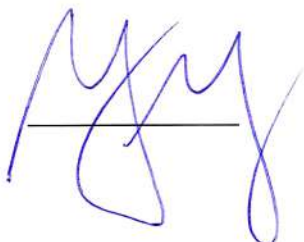
Consolidated statement of financial position

	Note	31 December 2024 USD'000	31 December 2023 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	2,361	2,917
Development costs		29,440	28,821
Intangible assets	16	5,511	4,508
Right-of-use assets	17	993	1,655
Investments in associates	18	3,880	4,012
Other financial assets	21	307	487
Total non-current assets		42,492	42,400
Current assets			
Inventories	19	2,620	3,474
Trade and other receivables	20	1,568	5,359
Current income tax advances		-	15
Other financial assets	21	336	-
Other non-financial assets	22	1,381	1,258
Cash and cash equivalents	23	176	271
Total current assets		6,081	10,377
TOTAL ASSETS		48,573	52,777
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized capital	24	84,582	82,516
Presentation currency translation reserve		(27,969)	(23,837)
Retained loss		(12,111)	(10,839)
Total equity and reserves		44,502	47,840

	Note	31 December 2024 USD'000	31 December 2023 USD'000
LIABILITIES			
Long-term liabilities			
Loans and borrowings	25	561	693
Lease liabilities	28	514	1,098
Total long-term liabilities		1,075	1,791
Short-term liabilities			
Loans and borrowings	25	681	455
Lease liabilities	28	563	625
Trade and other payables	26	457	413
Contract liabilities	6	-	352
Other non-financial liabilities	27	1,295	1,301
Total short-term liabilities		2,996	3,146
TOTAL LIABILITIES		4,071	4,937
TOTAL EQUITY AND LIABILITIES		48,573	52,777

The accompanying notes on pages 13 to 51 form an integral part of these consolidated financial statements.

N. Kosareva
Director General



E. Bardier
Chief Accountant



30 May 2025

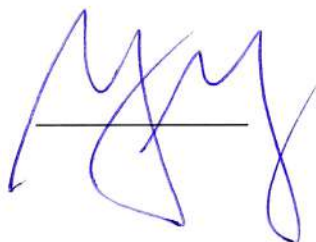
Consolidated statement of changes in equity

	Note	Authorized capital USD'000	Presentation currency translation reserve USD'000	Retained earnings USD'000	Total equity USD'000
1 January 2023		82,516	(15,953)	(9,152)	57,411
Net loss for the year		-	-	(1,687)	(1,687)
Other comprehensive income (loss)		-	(7,884)	-	(7,884)
31 December 2023	24	82,516	(23,837)	(10,839)	47,840
Net loss for the year		-	-	(1,272)	(1,272)
Founders' contribution		2,066	-	-	2,066
Other comprehensive income (loss)		-	(4,132)	-	(4,132)
31 December 2024	24	84,582	(27,969)	(12,111)	44,502

The accompanying notes on pages 13 to 51 form an integral part of these consolidated financial statements.

N. Kosareva
 Director General

30 May 2025



E. Bardier
 Chief Accountant



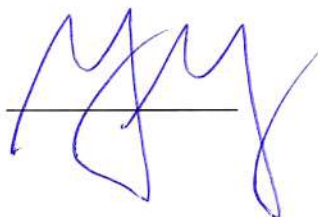
Consolidated statement of cash flows

	Note	For the year ended 31 December 2024 USD'000	For the year ended 31 December 2023 USD'000
Net profit (loss) for the period		(1,272)	(1,687)
<i>Adjustments for reconciliation of net profit with cash flows from operating activities:</i>			
Depreciation of property, plant and equipment and amortization of intangible assets		1,093	1,141
Depreciation of right-of-use asset	17	533	526
Interest income	12	(83)	(37)
Finance expenses	13	356	250
(Profit) loss from disposal of property, plant and equipment and inventories		(134)	(2)
Change in allowances for impairment of trade and other receivables and advances	11	1,476	2,615
Effect of an initial recognition of a loan received and granted on non-market terms		2	(121)
Share of profit (loss) of equity accounted associates		(225)	(218)
Exchange rate differences		(132)	(1,232)
Operating cash flows before changes in operating assets and liabilities and before interest and tax payments		1,610	1,235
<i>Changes in operating assets and liabilities</i>			
Inventories		597	1,379
Trade and other receivables		1,165	(863)
Trade and other payables		265	681
Contract liabilities		(344)	(432)
Lease liabilities	28	632	629
Other non-financial assets		(246)	890
Other non-financial liabilities		112	394
Cash flows before interest and tax payments		3,791	3,913
Interest paid		(298)	(177)
Income tax paid		-	-
Net cash flows used in operating activities		3,493	3,736
Investment operations			
Acquisition of property, plant and equipment and intangible assets		(268)	(420)
Development costs		(5,449)	(3,236)
Proceeds from disposal of property, plant and equipment		210	131

	Note	For the year ended 31 December 2024 USD'000	For the year ended 31 December 2023 USD'000
Issue of loans		(25)	(37)
Loans repaid		25	334
Interest received		-	-
Net cash used in investing activities		(5,507)	(3,228)
Financial operations			
Repayment of loans		(1,401)	(896)
Loans received		1,369	743
Founders' contributions		2,064	-
Net cash flows generated from financing activities		2,032	(153)
Effect of exchange rate changes on cash and cash equivalents		(113)	(575)
Net change in cash and cash equivalents		(95)	(220)
Cash and cash equivalents at the beginning of the year		271	491
Cash and cash equivalents at the end of the year		176	271

The accompanying notes on pages 13 to 51 form an integral part of these consolidated financial statements.

N. Kosareva
Director General



E. Bardier
Chief Accountant



30 May 2025