

CELLFIE MOBILE LLC

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

31 December 2025

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INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

To the Owners and the Supervisory Board of Cellfie Mobile LLC

Our opinion

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

What we have audited

The Company's financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

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

Our audit approach

Overview

Materiality	Overall Company materiality: GEL 2,092 thousand, which represents 5% of profit before tax.
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Key audit matters	Revenue recognition – accuracy and occurrence of service revenue.
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

Overall Company materiality	GEL 2,092 thousand
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition - service revenue accuracy and occurrence assertions	Our audit approach included sample-based testing of internal controls and performing substantive procedures, which include:

Refer to Note 4 and 20 to the financial statements for the related disclosures.

Service revenue, consisting of revenue from pay-as you-go, revenue from bundles, A2P messaging, and other, for the year ended 31 December 2025 amounted to GEL 172,283 thousand (2024: GEL 156,795 thousand). It consists of a high volume of relatively small transactions that have multiple pricing plans.

These transactions in terms of their amounts are subject to considerable inherent risk regarding the accuracy and occurrence assertions recorded due to:

- the complexity of the billing and other operating support systems, processes and controls necessary for identifying and properly recording service revenue;
- level of manual processing of revenue data prior to its transfer into the accounting software; and
- the impact of ever-changing business, price and tariff models (including tariff structures, customer discounts, and incentives).

We consider this a key audit matter, since the magnitude as well as the increased risk require substantial audit attention and effort with respect to the controls and substantive testing procedures to be performed over the accuracy and occurrence of service revenue.

- Understanding and evaluating the IT environment in which subscriber billing and other relevant support systems reside, including the change management and restricted access procedures in place. We have involved our own IT specialists.
- Testing the design and operational effectiveness of internal controls in the service revenue and accounts receivable business process.
- Performing sample-based control tests over the accuracy of subscriber activity by assessing the nature of the services rendered and whether the appropriate tariffs were applied.
- Sample-based control testing of the end-to-end processing of the network captured activity of subscribers, from the mediation of subscriber activity to the billing systems.
- Reconciliation of service revenue recorded in the billing system with the accounting system and the financial statements.
- Targeted testing of material, manual revenue-related journal entries posted in the general ledger during the year.
- Reconciling the consideration received for mobile services with the total amount of revenue recognized from mobile subscribers, considering the effect of changes in customer trade receivables balances.

Other information

Management is responsible for the other information. The other information comprises the Management Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the Management Report.

In connection with our audit of the financial statements, our responsibility is to read the Management Report identified above and, in doing so, consider whether the Management Report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management Report we also performed the procedures required by the Law of Georgia on Accounting, Reporting and Auditing. Those procedures include considering whether the Management Report includes the information required by the Law of Georgia on Accounting, Reporting and Auditing. In addition, we are required to conclude whether certain parts of the Management Report comply with respective regulatory normative acts.

Based on the work undertaken in the course of our audit, in our conclusion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements;

- the information given in the Management Report complies with the requirements of paragraphs 6 and 7 (c), (g) of article 7 of the Law of Georgia on Accounting, Reporting and Auditing;
- the information given in the Management Report includes the information required by paragraph 7 (a), (b), (d) – (f) of article 7 of the Law of Georgia on Accounting, Reporting and Auditing.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Levan Kankava.

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

Levan Kankava (Reg.# SARAS-A-592839)

Tbilisi, Georgia

15 May 2026

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
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PricewaterhouseCoopers Georgia LLC

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



Levan Kankava (Reg.# SARAS-A-592839)

Tbilisi, Georgia

15 May 2026

CELLFIE MOBILE LLC
Statement of Financial Position
In thousands of Georgian Lari

	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property and equipment	8	152,445	127,135
Right of use assets	9	25,040	22,513
Intangible assets	10	43,057	16,710
Other non-financial assets	12	3,076	2,964
Total non-current assets		223,618	169,322
Current assets			
Inventories		788	365
Trade and other receivables	11	10,462	6,637
Other non-financial assets	12	6,100	9,639
Certificates of deposit	13	-	20,085
Cash and cash equivalents	14	41,109	14,883
Total current assets		58,459	51,609
TOTAL ASSETS		282,077	220,931
EQUITY			
Subscribed capital	15	986,129	986,129
Accumulated deficit		(878,886)	(919,372)
TOTAL EQUITY		107,243	66,757
LIABILITIES			
Non-current liabilities			
Borrowings	16	11,674	78,853
Lease liabilities	17	15,359	13,785
Provisions for asset retirement obligations	18	2,736	2,348
Total non-current liabilities		29,769	94,986
Current liabilities			
Borrowings	16	68,646	3,304
Lease liabilities	17	11,505	10,863
Trade and other payables	19	51,859	32,812
Other non-financial liabilities	12	13,055	12,209
Total current liabilities		145,065	59,188
TOTAL LIABILITIES		174,834	154,174
TOTAL LIABILITIES AND EQUITY		282,077	220,931

Authorised for issuance on behalf of the Management on 15 May 2026 by:

Rostom Talakhadze
Chief Executive Officer

Irakli Chedia
Chief Financial Officer

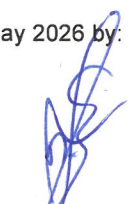
The accompanying notes on pages 5 to 34 are an integral part of these financial statements.

CELLFIE MOBILE LLC
Statement of Financial Position
In thousands of Georgian Lari

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TOTAL LIABILITIES AND EQUITY		282,077	220,931

Authorised for issuance on behalf of the Management on 15 May 2026 by:


 Rostom Talakhadze
 Chief Executive Officer


 Irakli Chedia
 Chief Financial Officer

The accompanying notes on pages 5 to 34 are an integral part of these financial statements.

CELLFIE MOBILE LLC**Statement of Profit or Loss and Other Comprehensive Income***In thousands of Georgian Lari*

	Note	2025	2024
Service revenue	20	186,462	169,730
Other income	29	-	4,191
Depreciation of property and equipment and right-of-use assets	8,9	(42,488)	(37,777)
Employee benefits expense		(26,719)	(24,826)
Service costs	21	(17,507)	(18,853)
Utility expenses		(10,532)	(9,506)
Maintenance expense		(10,264)	(8,526)
Marketing expense		(10,092)	(6,111)
Amortisation of intangible assets	10	(4,854)	(4,318)
Reversal of impairment of property and equipment	8	961	839
Other operating expenses	22	(16,234)	(16,177)
Operating profit		48,733	48,666
Finance costs	23	(13,626)	(14,818)
Finance income	24	4,716	2,247
Foreign exchange gain/(loss), net		879	(389)
Other non-operating expense		(216)	(327)
Profit before income tax		40,486	35,379
Income tax expense		-	-
NET INCOME FOR THE YEAR		40,486	35,379
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		40,486	35,379

The accompanying notes on pages 5 to 34 are an integral part of these financial statements.

CELLFIE MOBILE LLC
Statement of Changes in Equity
In thousands of Georgian Lari

	Note	Subscribed capital	Accumulated deficit	Total equity
At 1 January 2024	15	986,129	(954,751)	31,378
Net income for the year		-	35,379	35,379
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	35,379	35,379
At 31 December 2024	15	986,129	(919,372)	66,757
Net income for the year		-	40,486	40,486
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	40,486	40,486
At 31 December 2025	15	986,129	(878,886)	107,243

The accompanying notes on pages 5 to 34 are an integral part of these financial statements.

CELLFIE MOBILE LLC
Statement of Cash Flows
In thousands of Georgian Lari

	Note	2025	2024
Cash flows from operating activities			
Profit before income tax		40,486	35,379
Adjustments for:			
Depreciation of property and equipment and right-of-use assets	8,9	42,488	37,777
Amortisation of intangible assets	10	4,854	4,318
Reversal of impairment of property and equipment	8	(961)	(839)
(Reversal)/Loss on impairment of trade and other receivables	11	(431)	49
Changes in provision for asset retirement obligations	18	48	9
Finance income	23	(4,716)	(2,247)
Finance costs	24	13,626	14,818
Other non-cash operating income		(287)	(3,192)
Foreign exchange (gain)/loss, net		(879)	389
Operating cash flows before working capital changes		94,228	86,461
(Increase)/decrease in trade and other receivables		(3,308)	3,385
Decrease in other non-financial assets		3,415	2,192
Increase in inventories		(423)	(64)
Increase/(decrease) in trade and other payables		1,235	(254)
Increase in other non-financial liabilities		879	3,306
Changes in working capital		1,798	8,565
Interest income received		4,804	2,005
Interest paid		(13,084)	(14,430)
Net cash from operating activities		87,746	82,601
Cash flows from investing activities			
Proceeds from the sale of property, equipment and intangible assets		-	99
Purchase of property, equipment and intangible assets		(67,015)	(54,438)
Proceeds from maturity of Certificate of Deposit		20,000	-
Acquisition of certificates of deposit		-	(20,000)
Net cash used in investing activities		(47,015)	(74,339)
Cash flows from financing activities			
Proceeds from borrowings	16	1,155	-
Repayment of borrowings	16	(3,212)	(2,539)
Repayment of lease liabilities – principal	17	(12,316)	(11,272)
Net cash used in financing activities		(14,373)	(13,811)
Net increase/(decrease) in cash and cash equivalents		26,358	(5,549)
Effect of exchange rate changes on cash and cash equivalents		(132)	222
Cash and cash equivalents at beginning of the year	14	14,883	20,210
Cash and cash equivalents at the end of the year	14	41,109	14,883

The accompanying notes on pages 5 to 34 are an integral part of these financial statements.

1 Cellfie Mobile LLC and its Operations

Cellfie Mobile LLC ("Cellfie Mobile", "the Company") was incorporated on 19 November 2003 and is domiciled in Georgia. The Company is a limited liability company, set up in accordance with Georgian regulations, and is registered by the Krtsanisi-Mtatsminda district court with identification number: 204450584.

As at 31 December 2025, the Company's immediate parent companies are Watertrail Industries LLC with a 71% ownership and Investico Alliance LLC with a 29% ownership. Miren Invest LLC is the ultimate parent company and is ultimately controlled by Mr. Khvicha Makatsaria.

During the reporting period, Scope Ratings GmbH reaffirmed the Company's 'BB-' credit rating with a stable outlook, unchanged from 2024. The financial health rating component was upgraded by one notch.

Neither the Company's immediate parent nor the ultimate controlling party produce consolidated financial statements that are available for public use and comply with International Financial Reporting Standards.

Throughout the reporting period and since its incorporation, the Company's subsidiary, Pays LLC, in which the Company holds a 51% ownership and the remaining 49% is held by the Company's ultimate controlling beneficial owner, Khvicha Makatsaria, has remained a dormant entity.

Registered address and place of business. The Company's registered address is #8 Bambis Rigi, Tbilisi, Georgia and principal place of business is #118 A. Tsereteli Avenue, Tbilisi, Georgia.

Presentation currency. These financial statements are presented in is the national currency of Georgia, Georgian Lari ("GEL"), unless otherwise stated.

Principal activity. The Company earns revenues by providing mobile telecommunication services of GSM standard under the trademark "Cellfie Mobile" across most of the territory of Georgia.

The Company operates in accordance with the following licenses issued by Georgian National Communications Commission (GNCC):

- Licenses #F5, #42 and #59 (radio frequency spectrums: 1775-1785 MHz, 1870-1880 MHz, 884.50-889.99 MHz and 929.50-934.99 MHz, together referred as "2G") combined as per GNCC's decision #55/2 issued on 29 January 2015 with prolonged maturity to 1 February 2030;
- License #F97 (Long-Term Evolution radio frequency spectrums: 806-816 MHz and 847-857 MHz, together referred as "4G LTE"), a standard for wireless communication of high-speed data for mobile phones and data terminals, issued on 29 January 2015 by GNCC's decision #56/1 with maturity on 1 February 2030;
- Licenses #F101, F102 (radio frequency spectrums: 1925 -1935 MHz and 2115 - 2125 MHz together referred as "3G") issued on 29 December 2016 by GNCC's decisions 854/1 and 855/1 with maturity on 29 December 2031;
- License #F106 (radio frequency spectrums: 703 - 708 MHz (Up-link), 758-763 MHz (Down-link) and 3550 - 3600 MHz together referred as "5G") issued on 7 September 2023 by GNCC's decision #1/432 with maturity on 7 September 2038;
- Licenses #F107, F108 (radio frequency spectrums: 2575 - 2595 MHz and 1770 - 1775 MHz together referred as "5G" TDD (Time Division Duplex) Technology) issued on 7 September 2023 by GNCC's decision #1/433 and 1/434 with maturity on 7 September 2038;
- License #F109 (radio frequency spectrums: 1770 - 1775 MHz (Up-link) and 1865 - 1870 MHz (Down-link) together referred as "LTE") issued on 7 September 2023 by GNCC's decision #1/435 with maturity on 7 September 2038.
- Licenses #F118, F119 (radio frequency spectrums: 1970 – 1980 (Up-link) MHz and 2160 - 2170 MHz (Down-link) together referred as "5G" FDD (Time Division Duplex) Technology) issued on 25 December 2025 by GNCC's decision #1/651 and 1/653 with maturity on 25 December 2040;
- Licenses #F120, F121 (radio frequency spectrums: 2595 - 2615 MHz together referred as "5G" TDD (Time Division Duplex) Technology) issued on 25 December 2025 by GNCC's decision #1/656 and 1/657 with maturity on 25 December 2040.

2 Operating Environment of the Company

The Company's principal business activities are within Georgia. Consequently, the Company is exposed to economic and financial markets of Georgia, which displays certain characteristics of an emerging market, including relatively high inflation and high interest rates. Georgian legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes, which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the same area. The future economic direction of Georgia is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory and political developments.

The ongoing conflict between Russia and Ukraine. The conflict presents considerable uncertainty regarding the long-term effects on the Georgian economy. Management notes that the assumptions, judgments, and estimates used in the preparation of these financial statements are based on the best information available as of the reporting date; however, actual results may differ from current expectations.

Management is unable to predict all developments which could have an impact on the Georgian economy and consequently what effect, if any, they could have on the future financial position of the Company. Management believes it is taking all the necessary measures to support the sustainability and development of the Company's business.

3 Basis of Preparation

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

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

Foreign currency translation. The functional currency of the Company is the currency of the primary economic environment in which the entity operates. The functional currency of the Company, and the Company's presentation currency, is the national currency of Georgia, Georgian Lari ("GEL").

Transactions and balances. Transactions denominated in foreign currencies are initially recognised at the functional currency rate prevailing on the date of the transaction. At period end, monetary assets and liabilities are translated to the functional currency using the closing rate with differences taken to the Statement of Profit or Loss and Other Comprehensive Income within 'finance income or costs'. Non-monetary items that are measured in terms of historical cost in foreign currency are translated to the functional currency at the rate prevailing on the initial transaction dates. Non-monetary items carried at fair value are translated to the functional currency at the date when the fair value was determined.

At 31 December 2025, the principal rate of exchange, as determined by the National Bank of Georgia, used for translating foreign currency balances was US Dollar 1 = GEL 2.6951 and EURO 1 = GEL 3.1737 (as at 31 December 2024: US Dollar 1 = GEL 2.8068 and EURO 1 = GEL 2.9306). At present, the Georgian Lari is not a freely convertible currency in most countries outside of Georgia.

4 Material Accounting Policy Information

Revenue recognition. Cellfie Mobile generates revenues from providing retail and wholesale mobile telecommunication services through a range of wireless and broadband networks. Products and services may be sold separately or in bundled packages.

Service revenues

Service revenues include revenues from airtime charges from contract and prepaid subscribers, monthly contract fees, interconnect revenues, roaming charges and charges for value added services ("VAS"). VAS includes short messages ("SMS"), multimedia messages ("MMS"), caller number identification, call waiting, data transmission, mobile internet, downloadable content and other services. The content revenue relating to VAS is presented net of related costs when the Company acts as an agent of the content providers and gross when the Company acts as the principle of the transaction. More specifically, the accounting for revenue sharing agreements and delivery of content depends on the analysis of the facts and circumstances surrounding these transactions, which will determine if the revenue is recognised gross or net.

Revenue for services with a fixed term, including fixed-term tariff plans and monthly subscriptions, is generally recognised over time, on a straight-line basis.

Sales of prepaid cards, used as a method of cash collection, is accounted for as customer advances for future services and the respective revenue is deferred until the customer uses the airtime. Subscriber balances are written-off to expenses in case of negative (receivable) balances and to income in case of positive (advances received) balances after certain period of inactivity. Mentioned period is three months for negative and six months for positive balances.

Pay-as-you-go (PAYG)

For pay-as-you-go plans, in which the customer is charged based on actual usage, revenue is recognised over time, on a usage basis. Some tariff plans allow customers to rollover unused services to the following period. For these tariff plans, revenue is generally recognised over time, on a usage basis.

Interconnect and roaming revenue

Interconnect revenue is generated when the Company receives traffic from mobile or fixed subscribers of other network operators and that traffic terminates on Cellfie Mobile's network.

Roaming revenues include both revenues from Cellfie Mobile customers who roam outside of their home country network and revenues from other foreign mobile network operators for roaming by their customers on Cellfie Mobile's network. For both revenue streams the Company has a single performance obligation and recognises mobile usage and roaming service revenues based on the traffic of the relevant service processed when the services are rendered over the time. Revenues due from foreign carriers for international roaming calls are recognised in the period in which the call occurs.

Application to person (A2P) revenue

A2P revenue encompasses earnings derived from receiving business messages originating from mobile subscribers of other network operators, whether terminated on Cellfie Mobile's network or transmitted onward. This revenue stream also comprises income generated from commercial entities utilizing Cellfie Mobile's network for the distribution of such business messages. A2P SMS is a message in which recipients are not expected to reply, which is frequently used by businesses in order to communicate with consumers. The revenue is recognised in the period when the service is rendered

Bundles

Bundles are service agreements under which Cellfie Mobile provides single or more than one service.

Services may be provided or "bundled" under different agreements or in groups of agreements which are interrelated to such an extent that, in substance, they are part of one agreement.

4 Material Accounting Policy Information (Continued)

Services under bundles are performance obligations that are satisfied over time and the same method is used to measure the company's progress toward satisfaction, accordingly bundles are accounted for as a single performance obligation. The maximum period for satisfying these obligations, as of the reporting date, is 360 days.

Employee benefits. Wages, salaries, contributions to the Georgian state pension funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services) are accrued in the year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

Customer acquisition costs. Certain costs are incurred when the Company acquires a contract with a new or existing customer. The costs of obtaining a contract with a customer are recorded on the balance sheet only if:

- The costs are incremental to acquiring a contract with customer.
- The incremental costs are recoverable.
- The cost incurred has added value to Cellfie Mobile.

All the costs that do not qualify above mentioned criteria are expensed when incurred.

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

Under the current Tax Code of Georgia, companies are not required to pay income tax on profits earned since 1 January 2017 until such profits are distributed or deemed distributed in the form of dividends. Income tax at a rate of 15% is payable at the moment of dividend payment on the grossed-up amount of dividends distributed to individuals or non-resident legal entities (net dividends are grossed up for 5% withholding tax and divided by 0.85). Dividends distributed to resident legal entities from profits earned since 1 January 2017 are tax exempt.

Dividends on earnings accumulated during the period from 1 January 2008 to 1 January 2017 is subject to income tax on grossed up value, reduced by respective tax credit calculated as a share of corporate income tax declared and paid on taxable profits vs total net profits for the same period multiplied to the dividend to be distributed. However, tax credit amount should not exceed the actual income tax imposed on dividend distribution. Income tax arising from distribution of dividends is accounted for as an income tax expense in the period in which dividends are declared, regardless of the actual payment date or the period for which the dividends are paid. A contingent income tax liability which would arise upon the payment of dividends is not recognised in the statement of financial position.

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

Value Added Tax. Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. Input VAT related to acquisition of Property, Plant and Equipment items are deferred for 5 to 10 years for entities having more than 20% of its turnover exempt from VAT without right to credit. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

4 Material Accounting Policy Information (Continued)

Property and equipment. Property and equipment (P&E) are stated at cost, less accumulated depreciation and accumulated impairment losses, if any.

Land and CIP are not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives
Buildings	20 years
Telecommunications equipment	6-20 years
Office equipment	6-10 years
Furniture	10 years
Vehicles	5 years
Other	3-10 years

Residual value at the end of the reporting period is nil.

Right-of-use assets. The Company leases lands, offices for stores, office building, other spaces where network equipment is located and vehicles. Contracts contain only lease components and each site lease is accounted as a single lease component.

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- costs to restore the asset to the conditions required by lease agreements.

Right-of-use assets are depreciated over the lease term (considering extension options) on a straight-line basis.

Below are the identified lease categories applicable to Cellfie Mobile together with the reasonably certain lease term according to the Company's policy:

	Useful lives
Stores	3 years
Space for tower sites	5 - 8 years
Warehouses	5 years
Office buildings	3 - 7 years
Vehicles	4 Years

Intangible assets. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised using the straight-line method over their useful lives:

	Useful lives
Telecommunication licenses, frequencies and permissions	10 -15 years
Software	3 - 10 years
Other intangible assets	1 - 8 years

Impairment of assets. The Company bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations are recognised in the Statement of Profit or Loss and Other Comprehensive Income in expense categories consistent with the function of the impaired asset.

Financial instruments – initial recognition. All financial instruments are initially recorded at fair value.

4 Material Accounting Policy Information (Continued)

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

Financial assets – classification and subsequent measurement – business model. All financial assets are held solely to collect the contractual cash flows from the assets. Factors considered by the Company in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

Financial assets impairment – credit loss allowance for ECL. The Company assesses, on a forward-looking basis, the ECL for debt instruments measured at AC. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The Company applies the simplified approach for calculating a lifetime ECL for its trade and other receivables, as well as for contract assets recognised as part of revenue recognition under IFRS 15. The expected loss rates are based on the payment profiles of sales over a period of last 12 months and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information. The Company analyses different macroeconomic indicators however, macroeconomic indicators do not have material effect and thus the Company does not apply such forward-looking adjustment to its default rates.

The company uses the following segments for ECL calculation purposes:

- Receivables from customers.
- Receivables due for roaming and interconnect.
- Other trade receivables.

Financial liabilities – measurement categories. The Company's financial liabilities include trade and other payables, borrowings and lease liabilities and are classified as subsequently measured at AC.

Borrowings from parent companies

From time to time the parent companies extend loans and borrowings in the form of below market interest rate loans. Below market interest rate loans from parent companies are initially recognised at fair value, being the present value of future repayments based on expected maturities of the loan using market interest rate. The difference between the consideration received by the Company under the loan and its fair value is treated as an equity contribution by the Parent and is recorded as additional paid-in capital. After initial recognition, these loans and borrowings are measured at amortised cost using the effective interest method.

Subsequent changes in the terms of the loans and borrowings (interest rates, maturity dates, etc.) which are not substantial are considered as changes in estimate and are recognised prospectively from the beginning of the reporting period in which respective change occurred. The resulting gain or loss on remeasurement is included in the finance costs in the Statement of Profit or Loss and Other Comprehensive Income.

Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

4 Material Accounting Policy Information (Continued)

The lease payments are discounted using the incremental borrowing rate. Incremental borrowing rate is defined as "the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment".

From 2022 the Company uses customized interest rates on loans that align with the rates published by the National Bank of Georgia at the time of lease recognition. Various factors are involved in determining the interest rate for leases that are over a similar term, currency, and business sector.

Lease payments are allocated between principal and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Certificates of deposit. A certificate of deposit (CD) is an investment instrument in the form of deposit placed with a bank or other financial institution. It typically offers a fixed interest rate, has an original maturity of more than three months, and is repayable at maturity along with the accrued interest. CDs are considered low-risk investments, as they are generally backed by the creditworthiness of issuing institution.

Trade and other receivables. Trade and other receivables are recognised initially at fair value and are subsequently carried at AC using the effective interest method.

Trade and other payables. Trade payables are recognised initially at fair value and subsequently carried at AC using the effective interest method.

Subscribed capital. The amount of subscribed capital is defined by the Company's Charter. The changes in the Company's Charter (including changes in subscribed capital, ownership, etc.) shall be made only based on the decision of the Company's shareholders.

Asset retirement obligations. When there are changes in the measurement of an existing asset retirement obligation due to changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or from changes in the discount rate, the cost of the related asset is adjusted if the related asset is measured using the cost model or the revaluation surplus is adjusted if the asset is measured using the revaluation model.

Estimated costs of dismantling and removing an item of property, plant and equipment (asset retirement obligations) are added to the cost of the item either when an item is acquired or as the item is used during a particular period for purposes other than to produce inventories during that period.

Amendment of the financial statements after issue. Any changes to these financial statements after issue require approval of the management, who authorised these financial statements.

5 Critical Accounting Estimates and Judgements in Applying Accounting Policies

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

Going Concern. Management prepared these financial statements on a going concern basis. In making this judgement management considered the Company's financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of the macro-economic developments on the operations of the entity.

5 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

The management has considered that, at the end of the year 2025, its current liabilities exceeded its current assets by GEL 86,608 thousand (2024: GEL 7,579 thousand). This position is primarily attributable to issued bonds of GEL 65,000 thousand with contractual maturity within twelve months from the reporting date. The Company generates strong operating cash flows and maintains a significant cash balance that, together with available liquidity sources, is sufficient to settle the bonds at maturity. Notwithstanding this, management intends to roll over the existing bonds, as it considers the current capital structure optimal for the Company and expects ongoing investments in network infrastructure to deliver strong returns. The Company is accordingly in active discussions with bondholders regarding the rollover, and based on the progress of these discussions, management expects the rollover to be completed in advance of the maturity date. The Company consistently generates positive net income and cash flows from operating activities (2025: GEL 40,484 thousand and GEL 87,745 thousand, respectively; 2024: GEL 35,379 thousand and GEL 82,601 thousand respectively). Considering above, Management believes that there is no material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern in the foreseeable future.

Revenue recognition. The Company's revenues primarily consist of revenues from sale of services and periodic subscriptions. The Company offers subscribers, via multiple element arrangements ("bundles") or otherwise, a number of different services with different price plans, and provides discounts in various types and forms, often in connection with different campaigns, over the contractual or average customer relationship period. Determining the standalone selling price of each deliverable can require complex estimates due to the nature of the services provided.

The Company also sells wholesale products to other operators and vendors in different countries and across borders. Management has to make estimates related to revenue recognition, relying to some extent, on information from other operators regarding values of services delivered. Management also makes estimates for the final outcome in instances where the other parties dispute the amounts charged.

Furthermore, management has to estimate the average customer life in order to calculate the period over which revenue should be recognised. This may occur in the event of an indefinite contract term (stand-ready obligation) or in the event of a series or material rights to renew a contract (i.e. month-to-month contracts). Cellfie Mobile's policy for determining the average customer life is with reference to the following formula:

$$\text{Average customer life} = 1 \div \text{Churn Rate}$$

Management also applies judgement in evaluating whether the Company is acting as a principal or agent in certain circumstances. In this case, among others, the main factor is whether the Company is considered as the primary obligor in the transactions.

Depreciation and amortisation of non-current assets. Depreciation and amortisation expenses are based on management estimates of useful life, residual value, and amortisation method of property and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortization or depreciation charges. Technological developments are difficult to predict and our views on the trends and pace of development may change over time.

Were the estimated useful lives to differ by 10% from management's estimates, the impact on depreciation and amortization for the year ended 31 December 2025 would be to increase it by GEL 5,260 thousand or decrease it by GEL 4,304 thousand (2024: increase by GEL 4,677 thousand or decrease by GEL 3,827 thousand).

Some of the assets and technologies, in which the Company invested several years ago, are still in use and provide the basis for the new technologies. Critical estimates in the evaluations of useful lives for intangible assets include, but are not limited to, the estimated average customer relationship based on churn, the remaining license or concession period and the expected developments in technology and markets.

5 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

The useful lives of property and equipment and intangible assets are reviewed at least annually, taking into consideration the factors mentioned above and all other important relevant factors. Estimated useful lives for similar types of assets may vary between different entities in the Company due to local factors such as growth rate, maturity of the market, history and expectations for replacements or transfer of assets, climate and quality of components used. The actual economic lives of intangible assets may be different than our estimated useful lives, thereby resulting in a different carrying value of our intangible assets with finite lives.

We continue to evaluate the amortization period for intangible assets with finite lives to determine whether events or circumstances warrant revised amortization periods. A change in estimated useful lives is a change in accounting estimate, and depreciation and amortization charges are adjusted prospectively.

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 26. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default (“PD”), exposure at default (“EAD”), and loss given default (“LGD”), as well as models of macroeconomic scenarios. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience. The Company evaluates different macroeconomic factors, however, macroeconomic factors do not have material effect on the ability of the customers to settle the receivables, thus the Company does not apply such forward-looking adjustment to its historical loss rates.

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

In such cases, where extension of the lease is legally enforceable, company has identified asset categories and determined reasonably certain lease terms.

The lease term is reassessed if an option is not actually exercised. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

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

From 2022 the Company uses customized interest rates on loans that align with the rates published by the National Bank of Georgia at the time of lease recognition. Various factors are involved in determining the interest rate for leases that are over a similar term, currency, and business sector.

6 Adoption of New or Revised Standards and Interpretations

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

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

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

7 New Accounting Pronouncements

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

- ***Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).***
- ***Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).***
- ***Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).***
- ***IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).***
- ***IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024, then amended on 21 August 2025 and effective for annual periods beginning on or after 1 January 2027).***
- ***Amendments to IFRS 19 Subsidiaries without public accountability: Disclosures (Issued on 21 August 2025 and effective from 1 January 2027).***
- ***Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025 and effective from 1 January 2027).***

Unless otherwise described above, the new standards and interpretations are not expected to significantly affect the Company's financial statements.

CELLFIE MOBILE LLC**Notes to the Financial Statements – 31 December 2025**

All amounts in thousands of Georgian Lari

8 Property and Equipment

Property and equipment, at cost, consisted of the following at 31 December 2025 and 2024

	Land	Buildings	Telecom equipment	Office equipment	Furniture	Vehicles	Other	CIP*	Total
Cost									
At 1 January 2024	1,161	8,911	270,378	43,678	721	700	47,606	34,951	408,106
Additions	74	586	20,974	333	68	-	227	24,756	47,018
Disposals	-	-	(35,766)	(1,928)	-	(146)	(772)	(121)	(38,733)
Transfers	-	-	28,445	-	-	-	-	(28,445)	-
Changes in estimates of ARO	-	-	38	-	-	-	-	-	38
At 31 December 2024	1,235	9,497	284,069	42,083	789	554	47,061	31,141	416,429
Additions	55	133	9,384	823	97	-	45	43,852	54,389
Disposals	-	-	(2,080)	(1,810)	(54)	-	(7)	-	(3,951)
Transfers	-	-	42,642	79	-	-	-	(42,721)	-
Changes in estimates of ARO	-	-	101	-	-	-	-	-	101
At 31 December 2025	1,290	9,630	334,116	41,175	832	554	47,099	32,272	466,968
Depreciation and impairment									
At 1 January 2024	-	4,633	209,068	36,948	518	672	46,114	4,076	302,029
Depreciation charge	-	597	23,231	2,001	53	27	594	-	26,503
Disposals	-	-	(35,442)	(1,919)	-	(146)	(771)	(121)	(38,399)
Reversal of impairment	-	-	-	-	-	-	-	(839)	(839)
At 31 December 2024	-	5,230	196,857	37,030	571	553	45,937	3,116	289,294
Depreciation charge	-	649	27,288	1,848	73	-	276	-	30,134
Disposals	-	-	(2,080)	(1,805)	(52)	-	(7)	-	(3,944)
Reversals of impairment	-	-	-	-	-	-	-	(961)	(961)
At 31 December 2025	-	5,879	222,065	37,073	592	553	46,206	2,155	314,523
Carrying amount									
At 1 January 2024	1,161	4,278	61,310	6,730	203	28	1,492	30,875	106,077
At 31 December 2024	1,235	4,267	87,212	5,053	218	1	1,124	28,025	127,135
At 31 December 2025	1,290	3,751	112,051	4,102	240	1	893	30,117	152,445

(*) CIP - Construction in progress and uninstalled equipment

8 Property and Equipment (Continued)

Construction in progress consists of construction of base stations and uninstalled equipment. Upon completion, assets are transferred to Telecommunications equipment.

At 31 December 2025, the gross carrying value of property and equipment, which has been fully depreciated and still in use, was approximately GEL 155,568 thousand (2024: GEL 149,561 thousand).

Impairment assessment. As of 31 December 2025, the management performed an impairment indicators assessment according to which no impairment indicators have been identified. Impairment reversal of GEL 961 thousand (2024: impairment reversal of GEL 839 thousand) relates to the obsolete network equipment not installed, CIP and spare parts.

9 Right-of-use Assets

The Company leases spaces for towers, stores and office. Rental contracts typically have fixed durations ranging from 1 year to 10 years.

	Space for tower sites	Stores and office	Vehicles	Total
Carrying amount at 1 January 2024	20,532	3,439	718	24,689
Additions	3,216	752	356	4,324
Remeasurements and modifications	3,324	1,412	38	4,774
Depreciation charge	(8,509)	(2,408)	(357)	(11,274)
Carrying amount at 31 December 2024	18,563	3,195	755	22,513
Additions	3,680	2,216	962	6,858
Remeasurements and modifications	6,557	1,430	36	8,023
Depreciation charge	(9,229)	(2,603)	(522)	(12,354)
Carrying amount at 31 December 2025	19,571	4,238	1,231	25,040

CELLFIE MOBILE LLC
Notes to the Financial Statements – 31 December 2025
All amounts in thousands of Georgian Lari

10 Intangible Assets

The total gross carrying value and accumulated amortization and impairment of the Company's intangible assets consisted of the following at 31 December 2025 and 2024:

	Telecommunication licenses, frequencies and permissions	Software	Other intangible assets	Total
Cost				
At 1 January 2024	122,875	21,118	307	144,300
Additions	676	8,212	-	8,888
Disposals / write-offs	(132)	-	-	(132)
At 31 December 2024	123,419	29,330	307	153,056
Additions	24,419	6,744	38	31,201
Disposals / write-offs	(1,962)	(7,969)	(118)	(10,049)
At 31 December 2025	145,876	28,105	227	174,208
Amortisation and impairment				
At 1 January 2024	116,063	15,979	118	132,160
Amortisation charge	1,336	2,979	3	4,318
Disposals / write-offs	(132)	-	-	(132)
At 31 December 2024	117,267	18,958	121	136,346
Amortisation charge	1,357	3,493	4	4,854
Disposals / write-offs	(1,962)	(7,969)	(118)	(10,049)
At 31 December 2025	116,662	14,482	7	131,151
Carrying amount				
At 1 January 2024	6,812	5,139	189	12,140
At 31 December 2024	6,152	10,372	186	16,710
At 31 December 2025	29,214	13,623	220	43,057

11 Trade and Other Receivables

	31 December 2025	31 December 2024
Accounts receivable from:		
-customers	1,624	1,254
-pay-box operators	1,885	718
-roaming partners	7,145	5,333
-interconnect services	1,215	1,295
Other	655	859
Less: impairment loss provision	(2,062)	(2,822)
Total trade accounts receivable	10,462	6,637

Trade receivables are mostly non-interest bearing and are generally on 30 days' term and denominated in GEL, USD and EUR. Receivables from local pay-box operators are subject to collection terms of 3 to 5 days, whereas receivables from international pay-box operators are settled on individually negotiated terms.

11 Trade and Other Receivables (Continued)

Trade receivables of GEL 8,895 thousand (2024: GEL 6,423 thousand), net of impairment loss provisions, are denominated in foreign currency, out of which GEL 8,683 thousand (2024: GEL 5,926 thousand) is in US Dollars and GEL 212 thousand (2024: GEL 497 thousand) is in EUR.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2025 and the corresponding historical credit losses experienced within this period.

The Company evaluates different macroeconomic factors; however, macroeconomic factors do not have material effect on the ability of the customers to settle the receivables, thus the Company does not apply such forward-looking adjustment to its historical loss rates.

The credit loss allowance for trade and other receivables is determined according to provision matrix presented in the table below. The provision matrix is based on the number of days that an asset is past due, adjusted for forward-looking information.

	31 December 2025				31 December 2024			
	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value
Trade receivables								
- current	0%	4,777	-	4,777	0%	2,160	-	2,160
- less than 30 days overdue	0%	878	-	878	0%	898	-	898
- 30 to 60 days overdue	15%	602	88	514	15%	481	70	411
- 61 to 90 days overdue	26%	474	124	350	19%	612	119	493
- over 90 days overdue	27%	5,138	1,390	3,748	47%	4,449	2,108	2,341
Total	13%	11,869	1,602	10,267	27%	8,600	2,297	6,303

	31 December 2025				31 December 2024			
	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value	Loss rate	Gross carrying amount	Lifetime ECL	Net carrying value
Other receivables								
- current	0%	182	-	182	0%	141	-	141
- less than 30 days overdue	0%	7	-	7	0%	185	-	185
- 30 to 60 days overdue	0%	2	-	2	0%	7	-	7
- 61 to 90 days overdue	0%	4	-	4	0%	1	-	1
- over 90 days overdue	100%	460	460	-	100%	525	525	-
Total	70%	655	460	195	61%	859	525	334

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11 Trade and Other Receivables (Continued)

The following table explains the changes in the credit loss allowance for trade and other receivables under simplified ECL model between the beginning and the end of the annual period:

	2025	2024
Allowance for credit losses on trade and other receivables at 1 January	(2,822)	(3,282)
Reversals of ECL allowance/(new originated or purchased)	431	(49)
Total credit loss allowance reversal/(charge) in profit or loss for the period	431	(49)
Write-offs	329	509
Allowance for credit losses on trade and other receivables at 31 December	(2,062)	(2,822)

12 Other Non-Financial Assets and Liabilities

Other non-financial assets consisted of the following:

	31 December 2025	31 December 2024
Advances to suppliers and other prepayments	3,004	2,116
Contract costs	2,581	2,585
Other taxes prepaid, net	515	4,938
Other current non-financial assets	6,100	9,639
Prepaid VAT on IRU agreements	2,519	2,820
Prepayments for Property and Equipment and intangible assets	557	144
Other non-current non-financial assets	3,076	2,964

Other non-financial liabilities consisted of the following:

	31 December 2025	31 December 2024
Advances received from customers	2,541	2,438
Amounts due to employees	5,049	5,055
Deferred revenue	5,423	4,706
Other	42	10
Other current non-financial liabilities	13,055	12,209

13 Certificates of Deposit

Certificates of deposit represent interest-bearing, fixed-rate short-term financial instruments issued by a local bank with a BB credit rating. These instruments mature within six months from the date of issuance and are classified as short-term financial assets. They are measured at amortized cost, as the Company holds them to collect contractual cash flows, which consist solely of payments of principal and interest. Interest accrued on the Company's certificates of deposit as at 31 December 2025 was GEL 2,265 thousand (2024: GEL 85 thousand).

14 Cash and Cash Equivalents

Cash and cash equivalents consisted of the following items as at:

	31 December 2025	31 December 2024
Bank balances payable on demand	40,979	14,781
Corporate credit cards	118	90
Cash on hand	12	11
Cash in transit	-	1
Total cash and cash equivalents	41,109	14,883

Bank balances represent interest bearing current accounts in top 3 local banks with BB and B+ ratings (2024: BB and B+), which are neither past due nor impaired. Interest accrued on the Company's current accounts as at 31 December 2025 was GEL 2,450 thousand (2024: GEL 2,005 thousand).

15 Equity

Subscribed capital. The total subscribed capital of the Company as at 31 December 2025 represents GEL 986,129 thousand consisting of 986,129 thousand shares, each with a nominal value of GEL 1.

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16 Borrowings

Borrowings from banks. According to the agreements signed on 7 December 2023 and their amendments, the Company has two syndicated loans with JSC TBC Bank and JSC Bank of Georgia denominated in Georgian Lari with limits of GEL 32,211 thousand. In March 28, 2025 Company also signed agreement with TBC bank for EUR 370 thousand. The Company is subject to certain covenants related to all of its borrowings (Note 29).

Bonds. On 27 December 2023, the Company issued GEL 65,000 thousand secured bonds. Bonds bear coupon of floating rate TIBR6M+3.5%. The bonds are repayable within three years from the issue date, on 27 December 2026, with semi-annual interest payments.

In connection with the issuance of the bonds, the Company incurred expenses of underwriting fees. These expenses are accounted as transaction costs and are included in the calculation of the effective interest rate of the bonds. These expenses are deferred over the lifetime of the bonds.

Borrowings consisted of the following items as at 31 December 2025:

Lender	Agreement	Credit limit (in original CCY)	Amount withdrawn (in original CCY)	Nominal interest rate	CCY	Maturity	31 December 2025
Non-current							
Bank of Georgia JSC	9772084	16,314	16,314	13.00%	GEL	7-Jun-29	5,464
TBC Bank JSC	12904309	15,897	15,897	13.00%	GEL	7-Jun-29	5,464
TBC Bank JSC	14195587	370	370	5.5%	EUR	7-Jun-29	746
Total non-current borrowings							11,674
Current							
Bank of Georgia JSC	9772084	16,314	16,314	13.00%	GEL	7-Jun-29	1,799
TBC Bank JSC	12904309	15,897	15,897	13.00%	GEL	7-Jun-29	1,799
TBC Bank JSC	14195587	370	370	5.5%	EUR	7-Jun-29	275
Bonds	GE2700604608	65,000	65,000	3.5%*	GEL	27-Dec-26	64,773
Total current borrowings							68,646
Total borrowings							80,320

(*) Plus tibR6M defined by National Bank of Georgia

Borrowings consisted of the following items as at 31 December 2024:

Lender	Agreement	Credit limit (in original CCY)	Amount withdrawn (in original CCY)	Nominal interest rate	CCY	Maturity	31 December 2024
Non-current							
Bank of Georgia JSC	9772084	16,314	16,314	13.00%	GEL	7-Jun-29	7,204
TBC Bank JSC	12904309	15,897	15,897	13.00%	GEL	7-Jun-29	7,201
Bonds	GE2700604608	65,000	65,000	3.5%*	GEL	27-Dec-26	64,448
Total non-current borrowings							78,853
Current							
Bank of Georgia JSC	9772084	16,314	16,314	13.00%	GEL	7-Jun-29	1,599
TBC Bank JSC	12904309	15,897	15,897	13.00%	GEL	7-Jun-29	1,600
Bonds	GE2700604608	65,000	65,000	3.5%*	GEL	27-Dec-26	105
Total current borrowings							3,304
Total borrowings							82,157

(*) Plus tibR6M defined by National Bank of Georgia

16 Borrowings (Continued)

The table below sets out an analysis of the Company's borrowings and their movements for each of the periods presented. Borrowings are classified as financing activities in the statement of cash flows:

	Borrowings
Liabilities from financing activities at 1 January 2024	84,612
Interest expense	11,306
Repayment of principal	(2,539)
Repayment of interest	(11,222)
Liabilities from financing activities at 31 December 2024	82,157
Proceeds from borrowings	1,155
Interest expense	10,048
Repayment of principal	(3,212)
Repayment of interest	(9,846)
Foreign exchange adjustments	18
Liabilities from financing activities at 31 December 2025	80,320

At 31 December 2025, all assets owned by the Company (including property and equipment, intangible assets and 100% shares owned by Watertrail Industries LLC (BVI) and Investico Alliance LLC (BVI) in the Company) and assets that will be acquired by the Company in the future, have been pledged to lenders as collateral with respect to the borrowings.

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17 Lease Liabilities

The Company recognised lease liabilities as follows:

	31 December 2025	31 December 2024
Short-term lease liabilities	11,505	10,863
Long-term lease liabilities	15,359	13,785
Total lease liabilities	26,864	24,648

The Company has fixed payment term for all leased property. The Company recognises all short-term and low-value leases as lease liabilities and there are no expenses related to leases recognised in operating expenses. Total cash outflow for leases in 2025 was GEL 15,554 thousand (2024: GEL 14,480 thousand).

Lease liability reconciliation. The table below sets out an analysis of the Company's lease liabilities and their movements for each of the periods presented. Lease liabilities are classified as financing activities in the statement of cash flows:

	Lease liability
Lease liabilities at 1 January 2024	25,771
Interest accrual	3,208
Interest payment	(3,208)
Acquisition of new lease and remeasurement	9,940
Principal payment	(11,272)
Foreign exchange gain	209
Lease liabilities at 31 December 2024	24,648
Interest accrual	3,238
Interest payment	(3,238)
Acquisition of new lease and remeasurement	14,727
Principal payment	(12,316)
Foreign exchange loss	(195)
Lease liabilities at 31 December 2025	26,864

18 Provisions for Asset Retirement Obligation

Base stations for wireless networks are constructed on leased land and the term of the lease requires that the land or premises be reinstated upon expiry of lease term. The obligation is referred to as asset retirement obligation and is recognized when the equipment is installed. Asset retirement obligation is recognized and measured at the best estimate of the future costs to dismantle and remove equipment and restore the site.

As at 31 December 2025, asset retirement obligation is GEL 2,736 thousand (2024: GEL 2,348 thousand).

Movements in asset retirement obligation are as follows:

	2025	2024
Carrying amount at 1 January	2,348	2,043
Additions to property and equipment	104	39
Changes in estimates adjusted against property and equipment	(36)	(9)
Utilisation	(20)	(21)
Unwinding of the present value discount	340	296
Carrying amount at 31 December	2,736	2,348

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19 Trade and Other Payables

	31 December 2025	31 December 2024
Payables for:		
- non-current assets	34,275	15,597
- services	8,748	8,217
- accrued roaming rebates	5,799	6,189
- interconnect	372	718
- roaming	569	551
- inventory	171	-
Other	1,925	1,540
Total trade and other payables	51,859	32,812

All payables are non-interest bearing and typically settled within 30 to 90 days.

20 Analysis of Revenue by Category

Service revenue consisted of the following for the years ended 31 December:

	2025	2024
Revenue from bundles	129,376	113,243
Revenue from pay-as-you-go	29,899	30,930
A2P messaging revenue	6,509	7,293
Interconnect revenues	7,100	7,251
Guest roaming	7,079	5,684
Other	6,499	5,329
Total service revenue	186,462	169,730

From 2014, Cellfie Mobile joined discounting program managed by the related party (an entity under common control) at that time, whereby the Company provides discount on roaming services to the foreign operators and deducts it from “Guest roaming” revenue. The discount amount is based on international roaming traffic usage. In 2025, the Company recorded a discount of GEL 716 thousand (2024: GEL 2,540 thousand). Total revenue is recognized over time.

21 Service Costs

Service costs consisted of the following for the years ended 31 December:

	2025	2024
Cost of interconnect	9,760	10,761
Content costs	2,493	3,110
Roaming cost	1,970	1,643
Cost of data services	1,317	1,231
Rent of transport network	1,164	964
Cost of A2P messaging	803	1,130
Other	-	14
Total service costs	17,507	18,853

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22 Other Operating Expenses

	2025	2024
Information technology and technical support	6,106	5,630
Professional service fees*	3,346	3,204
Regulatory fees	1,401	1,275
Amortization of contract costs	1,350	1,135
Property tax	1,214	1,325
Tax expenses other than income tax	1,158	786
Business trips	653	367
Cash-in terminal service commission	231	171
Bank Fees	137	137
Dealer commissions	130	135
(Recovery)/charge on impairment of trade and other receivables	(431)	49
Other	939	1,963
Total other operating expenses	16,234	16,177

(*) Professional service fees include GEL 465 thousand (2024: GEL 703 thousand) fees incurred for audit and other professional services provided by Auditor/Audit Firm as defined in the Law of Georgia on Accounting, Reporting and Auditing.

23 Finance Costs

	2025	2024
Interest expense on loans	10,048	11,306
Interest expense on lease liability	3,238	3,208
Provisions for asset retirement obligations: unwinding of the present value discount	340	296
Other	-	8
Total finance costs	13,626	14,818

24 Finance Income

	2025	2024
Interest income	4,716	2,090
Gain on early settlement of lease liability	-	157
Total finance income	4,716	2,247

25 Balances and Transactions with Related Parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Balances with related parties at 31 December 2025 were as follows:

	Amounts owed by related parties	Amounts owed to related parties
Entities under common control		
Other companies	1	230

Transactions with related parties in 2025 were as follows:

	Sales to related parties	Purchases/ expenses from related parties
Immediate parent		
Watertrail Industries LLC	-	17
Entities under common control		
Other companies	35	3,814

Balances with related parties at 31 December 2024 were as follows:

	Amounts owed by related parties	Amounts owed to related parties
Entities under common control		
Other companies	1	215

Transactions with related parties in 2024 were as follows:

	Sales to related parties	Purchases/ expenses from related parties
Immediate parent		
Watertrail Industries LLC	-	13
Entities under common control		
Other companies	47	3,341

Total compensation to key management (including Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Information Technology Officer, Chief Legal Officer, Chief Information Security Officer, Chief People and Organization Officer, Chief Commercial Officer, Project Management Officer, Chief Ethics and Compliance Officer, Head of Customer Experience Department and Head of PR) personnel recorded in Employee benefits expense amounted to GEL 5,348 thousand and GEL 5,317 thousand for the years ended 31 December 2025 and 31 December 2024 respectively. Compensation to key management personnel mainly consists of contractual salary and performance bonus based on operating results. Besides, in 2024, a one-time bonus of GEL 1,400 thousand was granted as a reward for the successful completion of the strategic partnership with Vodafone, a leading global telecommunications provider headquartered in the United Kingdom, which grants Cellfie Mobile the right to utilize the Vodafone brand name and provides access to Vodafone's extensive expertise and best practices in digital innovation.

26 Financial Risk Management

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Company is exposed through its operations to the following financial risks:

- Credit risk;
- Market risk;
- Liquidity risk.

This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments. The principal financial instruments used by the Company, from which financial risks arise, are as follows:

- Trade accounts receivable;
- Cash and cash equivalents;
- Trade and other payables;
- Lease liabilities;
- Loans and borrowings.

Credit risk. Credit risk is the risk that a customer or counterparty to a financial instrument fails to meet its contractual obligations. Company is mainly exposed to credit risk from trade receivables and bank balances. The Company's maximum exposure to credit risk is reflected in the carrying amounts of trade and other receivables in the statement of financial position.

Credit risk management. Credit risk is one of the largest risks for the Company's business. Management therefore carefully manages its exposure to credit risk. The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main component of this allowance is a collective loss component. The Company's trade receivables are mainly from the domestic retail and wholesale customers. The Company does not have a significant concentration of that customers.

The Company measures ECL on a collective portfolio level (grouped exposures based on shared credit risk characteristics).

Expected credit loss (ECL) measurement. ECL is a probability-weighted estimate of the present value of future cash shortfalls. An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes.

ECL measurement is based on four components used by the Company:

- **Exposure at Default (EAD)** EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities.
- **Loss Given Default (LGD)** LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from any netting arrangements or recoveries. It is usually expressed as a percentage of the EAD.
- **Probability of Default (PD)** PD is an estimate of the likelihood of default to occur over a given time period.
- **Discount Rate** The expected losses are discounted to their present value at the end of the reporting period using the effective interest rate (EIR) or an appropriate approximation for financial instruments.

26 Financial Risk Management (Continued)

Management models The *12-month ECL*, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining lifetime of the financial instrument if it is less than a year. The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider *forward-looking information*, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

For purposes of disclosure, the Company fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of trade receivables of the Company. The Company considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

- the borrower is more than 30 days past due on its contractual payments.

The Company measures ECL on a portfolio basis. When assessment is performed on a portfolio basis, the Company analyses its exposures by segments determined on the basis of shared credit risk characteristics, such that exposures within a group have homogeneous or similar risks.

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future year during the lifetime period for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Market price risk. Market price risk consists of interest rate risk and foreign exchange risk.

a. 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 table below summarises the Company's exposure to interest rate risks. The table presents the aggregated amounts of the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Non- monetary	Total
31 December 2025						
Total financial assets	51,571	-	-	-	-	51,571
Total financial liabilities	(53,433)	(71,157)	(7,452)	(27,001)	-	(159,043)
Net interest sensitivity gap at 31 December 2025	(1,862)	(71,157)	(7,452)	(27,001)	-	(107,472)
31 December 2024						
Total financial assets	21,520	20,085	-	-	-	41,605
Total financial liabilities	(34,372)	(70,357)	(6,842)	(28,046)	-	(139,617)
Net interest sensitivity gap at 31 December 2024	(12,852)	(50,272)	(6,842)	(28,046)	-	(98,012)

26 Financial Risk Management (Continued)

b. Foreign exchange risk

Foreign exchange risk arises when Company enters into transactions denominated in a currency other than its functional currency. The Company does not hedge foreign exchange risk. The Company aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

The following tables demonstrate the sensitivity to a reasonably possible change in the US Dollar and Euro exchange rates, with all other variables held constant.

	At 31 December 2025		At 31 December 2024	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
US Dollar strengthening by 10%	(1,770)	(1,770)	(1,676)	(1,676)
US Dollar weakening by 10%	1,770	1,770	1,676	1,676
Euro strengthening by 10%	580	580	(50)	(50)
Euro weakening by 10%	(580)	(580)	50	50

Company's monetary assets and liabilities exposed to foreign exchange risk can be presented as follows:

	At 31 December 2025			At 31 December 2024		
	Monetary financial assets	Monetary financial liabilities	Net balance sheet position	Monetary financial assets	Monetary financial liabilities	Net balance sheet position
US Dollars	15,496	(33,197)	(17,701)	13,323	(30,079)	(16,756)
Euros	7,332	(1,528)	5,804	577	(1,081)	(504)
Total	22,828	(34,725)	(11,897)	13,900	(31,160)	(17,260)

Liquidity risk. Liquidity risk arises from the Company's management of working capital, the finance charges and principal repayments on its debt instruments and payment of lease fee. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The following are the contractual maturities of financial liabilities as at 31 December 2025:

	Carrying value	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total undiscounted
Loans and borrowings	80,320	1,366	76,637	13,662	-	91,665
Lease Liabilities	26,864	3,980	10,517	17,721	678	32,896
Trade and other payables	51,859	39,470	12,389	-	-	51,859
Total future payments, including future principal and interest payments	159,043	44,816	99,543	31,383	678	176,420

26 Financial Risk Management (Continued)

The following are the contractual maturities of financial liabilities as at 31 December 2024:

	Carrying value	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total undiscounted
Loans and borrowings	82,157	1,286	11,503	90,651	-	103,440
Lease Liabilities	24,648	3,545	9,621	15,435	443	29,044
Trade and other payables	32,812	32,812	-	-	-	32,812
Total future payments, including future principal and interest payments	139,617	37,643	21,124	106,086	443	165,296

27 Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company's management does not have explicit procedure for managing its capital.

28 Fair Value Disclosures

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

Assets and liabilities not measured at fair value but for which fair value is disclosed. Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

28 Fair Value Disclosures (Continued)

	31 December 2025				31 December 2024			
	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3	Carrying value
ASSETS								
Financial assets at AC								
- Cash and cash equivalents	12	41,097	-	41,109	11	14,872	-	14,883
- Certificates of Deposit	-	-	-	-	-	20,085	-	20,085
- Trade and other receivables	-	-	10,462	10,462	-	-	6,637	6,637
Total financial assets	12	41,097	10,462	51,571	11	34,957	6,637	41,605
LIABILITIES								
Financial liabilities at AC								
- Loans and Borrowings	-	15,547	64,773	80,320	-	17,604	64,553	82,157
- Lease Liabilities	-	-	26,864	26,864	-	-	24,648	24,648
- Trade and other payables	-	-	51,859	51,859	-	-	32,812	32,812
Total financial liabilities	-	15,547	143,496	159,043	-	17,604	122,013	139,617

The fair values in level 2 and level 3 of the fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

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

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

29 Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Company may arise. Presently, the Company is facing two ongoing civil suits in Batumi city court for the compensation of damages caused by the fire on the Company's electric grid lines. The total amount of claims is equal to GEL 748 thousand. A provision for these claims have been recognized under other operating expenses in Statement of Profit or Loss and Other Comprehensive Income in the financial statements of 2023

Tax legislation. The taxation system in Georgia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of government bodies, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however, under certain circumstances a tax year may remain open longer.

29 Contingencies and Commitments (Continued)

These circumstances may create tax risks in Georgia that are substantially more significant than in many other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Georgian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on this financial information, if the authorities were successful in enforcing their own interpretations, could be significant.

On 20 December 2024, as a result of a long-standing tax dispute covering the period from 1 January 2016 to 31 December 2019, which was resolved in the Company's favor, other non-financial assets increased by GEL 4,191 thousand, and the gain was recognized in the financial statements as other income. The resolution resulted in the return of previously paid vat, property tax, and income tax.

Asset retirement obligation. Base stations for wireless networks are constructed on leased land and the term of the lease require that the land or premises be reinstated upon expiry of lease term. The obligation is referred to as asset retirement obligation and is recognized when the equipment is installed. Asset retirement obligation is recognised and measured at the best estimate of the future costs to dismantle and remove equipment and restore the site (Note 18).

Compliance with covenants. The Company is subject to certain covenants related to its borrowings. Non-compliance with such covenants may result in negative consequences for the Company including ceasing the contracts and/or requesting full or partial repayment before contractual maturity.

As at 31 December 2025 and 31 December 2024 the Company was in compliance with the covenants.

Capital expenditure commitments.

Contractual Commitments with Nokia Solutions and Networks Oy. On 16 November 2025, Cellfie Mobile LLC entered into a new contractual agreement with Nokia Solutions and Networks Oy in the amount of USD 17,982 thousand, covering the supply of network equipment and related software upgrades. The arrangement forms part of the Company's network expansion programme. Network equipment amounting to USD 2,016 thousand was delivered during 2025. As a result, contractual commitments outstanding at the reporting date amounted to USD 15,966 thousand. The remaining deliveries of equipment and software are scheduled to take place in periods subsequent to the reporting date; accordingly, the related commitment has not been recognised in the statement of financial position and is disclosed as a capital expenditure commitment.

Spectrum Licenses. In 2025, the Company participated in a public auction and acquired spectrum licenses for 2×10 MHz in the 2100 MHz band and 2×10 MHz in the 2600 MHz band (Nos. 118-121 listed in Note 1) to support the further development of its network. Under the terms of the licenses, the Company is required to provide network coverage across key geographic locations and infrastructural sites in Georgia, in accordance with specified technical criteria, including minimum data transmission speed, signal strength and coverage area.

In 2023, the Company acquired spectrum licenses (Nos. 106-109 listed in Note 1) to support the development of its 5G network, together with bands to support the development of its existing 4G/LTE network. Under the terms of licenses Nos. 106–109, the Company is required to develop its existing network and deploy new 5G infrastructure, together with providing network coverage across key geographic locations and infrastructural sites in Georgia in accordance with prescribed technical parameters, including minimum data transmission speeds, signal strength and coverage area. The Company is also required to provide MVNO (mobile virtual network operator) access to its network, in consideration of which the Company received a one-time 20% reduction in the total license fee for these licenses.

Management believes that the Company will fulfil stated obligations in a timely and effective manner. Commitments under all other active frequency licenses have been fulfilled as at the reporting date.

CELLFIE MOBILE LLC**Notes to the Financial Statements – 31 December 2025***All amounts in thousands of Georgian Lari***30 Offsetting Financial Assets and Financial Liabilities**

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2025:

	Gross amounts before offsetting in the statement of financial position (a)	Gross amounts set off in the statement of financial position (b)	Net amount after offsetting in the statement of financial position (c) = (a) – (b)
ASSETS			
Accounts receivable from roaming partners	4,218	(276)	3,942
Accounts receivable from accrued roaming discounts	5,255	(2,052)	3,203
TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT	9,473	(2,328)	7,145
LIABILITIES			
Payables for roaming	(845)	276	(569)
Accounts payable for accrued roaming discounts	(7,851)	2,052	(5,799)
TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT	(8,696)	2,328	(6,368)

CELLFIE MOBILE LLC**Notes to the Financial Statements – 31 December 2025***All amounts in thousands of Georgian Lari***30 Offsetting Financial Assets and Financial Liabilities (Continued)**

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2024:

	Gross amounts before offsetting in the statement of financial position (a)	Gross amounts set off in the statement of financial position (b)	Net amount after offsetting in the statement of financial position (c) = (a) – (b)
ASSETS			
Accounts receivable from roaming partners	2,415	(223)	2,192
Accounts receivable from accrued roaming discounts	6,190	(3,049)	3,141
TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT	8,605	(3,272)	5,333
LIABILITIES			
Payables for roaming	(774)	223	(551)
Accounts payable for accrued roaming discounts	(9,238)	3,049	(6,189)
TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT	(10,012)	3,272	(6,740)

The amount set off in the statement of financial position reported in column (b) is the lower of (i) the gross amount before offsetting reported in column (a) and (ii) the amount of the related instrument that is eligible for offsetting and (c) for each individual instrument in order not to understate the ultimate net exposure.

The Company has master netting arrangements, which are enforceable in case of default. In addition, applicable legislation allows an entity to unilaterally set off trade receivables and payables that are due for payment, denominated in the same currency and outstanding with the same counterparty. These fall in the scope of the disclosure as they were set off in the statement of financial position.

31 Events after the Reporting Period

There were no events or transactions identified between the end of the reporting period and the date of authorisation for issue of these financial statements that would require recognition or disclosure.