

Bigger. Better. Different.

**NGO "CENTRE FOR ENVIRONMENTAL INITIATIVES
"ECOACTION"**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

INCLUDING INDEPENDENT AUDITOR'S REPORT

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ГО «ЦЕНТР ЕКОЛОГІЧНИХ ІНІЦІАТИВ
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**STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT FOR THE
PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2025**

The following statement, which should be considered in conjunction with the independent auditor's report, is made for the purpose of distinguishing between the responsibilities of management and specified independent auditors with respect to the financial statements of NGO "Centre for Environmental Initiatives "Ecoaction" (hereinafter - the Organisation).

The Organisation's management is responsible for the preparation of financial statements that are prepared present fairly, in all material respects in accordance with the requirements of the International Financial Reporting Standards (hereinafter referred to as IFRS) for the year ended 31 December 2025.

When preparing the financial statements, the Organisation's management is responsible for:

- selecting appropriate accounting principles and their consistent application;
- applying reasonable estimates and judgments;
- compliance with the requirements of IFRS;
- preparing the financial statements on the assumption that the Organisation will continue its activities in the foreseeable future, unless such an assumption is inappropriate.

The Organisation's management is also responsible for:

- developing, implementing and ensuring the functioning of an effective and reliable internal control system within the Organisation;
- maintaining an accounting system that enables the financial statements to be prepared at any time with sufficient accuracy and ensures that financial statements comply with the requirements of IFRS;
- taking measures within its competence to ensure the preservation of the Organisation's assets;
- preventing and detecting fraud and other irregularities.

Management provided the auditors with all the necessary information and explanations required to conduct the audit. Management did not identify any additional audit information that was not disclosed to the auditors.

Executive Director

NGO "Centre for Environmental Initiatives "Ecoaction"

PASYUK Olexi

15 June 2026

INDEPENDENT AUDITOR'S REPORT

To the Participants and Management of
CENTRE FOR ENVIRONMENTAL INITIATIVES "ECOACTION"

Opinion

We have audited the financial statements of the CENTRE FOR ENVIRONMENTAL INITIATIVES "ECOACTION" (hereinafter referred to as the Organization) which comprise the balance sheet (statement of financial position) as at December 31, 2025, and the statement of profit and loss (statement of comprehensive income), statement of cash flows, statement of changes in equity for the year ended the specified date, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and its financial performance and cash flows for the year ended on that date, in accordance with the requirements of International Financial Reporting Standards (hereinafter "IFRS/IAS"), issued by the International Accounting Standards Board and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" №996-XIV dated July 16, 1999, regarding the preparation of financial statements (hereinafter referred to as the Law on Accounting and Financial Reporting).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Organization in accordance with the International Code of Ethics for Professional Accountants (including the International Standards on Independence) of the International Ethics Standards Board for Accountants (hereinafter referred to as the IESB Code) and the ethical requirements applicable in Ukraine to our audit of the financial statements, and we have fulfilled other ethical responsibilities in accordance with these requirements and the IESB Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 "General Information" in the Organization's financial statements for the year ended December 31, 2025, which describes that the Organization's operations are affected by the Russian Federation's military invasion of Ukraine on February 24, 2022 and the ongoing martial law. The Organization's management has prepared the financial statements on a going concern basis, but the future development of military operations and their duration are a source of material uncertainty that may cast significant doubt on the Organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Restrictions on distribution and use

We draw attention to the fact that the Organization prepares its financial statements in accordance with the requirements of NAS 25 'Simplified Financial Statements' and the requirements of other NAS applicable to micro-enterprises. The financial statements in accordance with International Financial Reporting Standards have been prepared voluntarily by the Organization to meet the information requirements of foreign users and are not intended for submission or publication in the manner provided for in the Law of Ukraine 'On Accounting and Financial Reporting in Ukraine' No. 996-XIV of 16 July 1999 regarding the preparation of financial statements (hereinafter referred to as the Law on Accounting and Financial Reporting). Our opinion has not been modified in this respect.

The previous year's audit

The Organization's financial statements for the year ended December 31, 2024, were audited by another auditor, who, on May 30, 2025, issued an unmodified opinion on these financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatement 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 it does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, if one exists. Misstatements may arise from fraud or error; they 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 skepticism throughout the audit. In addition, we:

- we identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that for a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of the internal control measures relevant to the audit in order to design audit procedures appropriate to the circumstances, rather than to express an opinion on the effectiveness of the internal control system;
- evaluate the appropriateness of the accounting policies used and the reasonableness of the 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 Organization's ability to continue as a going concern. If we conclude that such 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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern;
- evaluate the overall presentation, structure, and content of the separate financial statements, including the disclosures, as well as whether the separate financial statements present the transactions and events underlying their preparation in a manner that achieves a fair presentation.

We report to those charged with governance, among other matters, on the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during the audit.

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

Key audit partner
MAKASHEVA Natalia Andriivna
Registration number in the Register of Auditors and Auditing Entities: 102867

From and on behalf of PRIVATE ENTERPRISE "MGI UKRAINE"
Director
SUSHKO Dmytro Serhiiovych
Registration number in the Register of Auditors and Auditing Entities: 100687



Date of the independent auditor's report: June 15, 2026
Kyiv, Ukraine

Basic information about the auditing entity

PRIVATE ENTERPRISE "MGI UKRAINE". USREOU code: 23966432. Location: 44A Yevhena Konovaltsia St., off. 733, Kyiv, 01133, Ukraine.

PRIVATE ENTERPRISE "MGI UKRAINE" is included in the Register of Auditors and Subjects of Auditing Entities in section 2 "Subjects of Auditing Entities". The information is published on the official website of the Audit Public Oversight Body of Ukraine (<https://www.apob.org.ua/>) in the "Register" section.

NGO “Centre for Environmental Initiatives “Ecoaction”

Financial Statements

As at 31 December 2025

Together with Independent Auditor’s Report

NGO “Centre for Environmental Initiatives “Ecoaction”
IFRS Financial Statements
As at 31 December 2025 and for the year then ended

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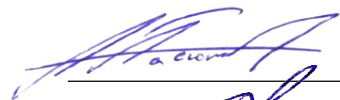
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NGO “Centre for Environmental Initiatives “Ecoaction”
IFRS Financial Statements
For the year ended December 31, 2025
(in Euro)

Balance sheet as at December 31, 2025

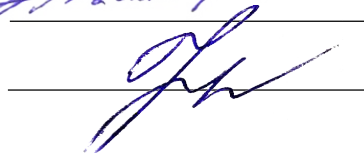
| Assets | Notes | 2025 | 2024 |
|--|--------------|----------------|----------------|
| Non-current assets | | | |
| Property, plant and equipment | 4 | 13 545 | 17 622 |
| Intangible Assets | 5 | | |
| Total Non-current assets | | 13 545 | 17 622 |
| Current assets | | | |
| Inventories | 6 | 39 | 54 |
| Accrued grants income | 7 | 44 154 | 54 963 |
| Prepayments | 8 | 17 657 | 18 988 |
| Other current assets | | 553 | 195 |
| Cash at bank and on hand | 9 | 464 945 | 281 185 |
| Total Current assets | | 527 348 | 355 385 |
| Total Assets | | 540 893 | 373 007 |
| Equity and liabilities | | | |
| Equity | | | |
| Property fund | | 13 545 | 17 622 |
| Project fund | | 203 680 | 88 072 |
| Provision for foreign currency translation | | | 1 |
| Total Equity | | 217 225 | 105 695 |
| Current liabilities | | | |
| Payable | | 964 | 10 197 |
| Other payable | 10 | 33 158 | 28 290 |
| Other current liabilities (Deferred grants income) | 11 | 289 546 | 228 825 |
| Total Current liabilities | | 323 668 | 267 312 |
| Total Equity and liabilities | | 540 893 | 373 007 |

Executive Director



Olexi Pasyuk

Chief Accountant



Svitlana Korobova

NGO “Centre for Environmental Initiatives “Ecoaction”
IFRS Financial Statements
For the year ended December 31, 2025
(in Euro)

Income statement for 2025

| | Notes | <u>2025</u> | <u>2024</u> |
|--|-------|---------------------------|---------------------------|
| INCOME: | | | |
| Grants | | | |
| Received from donors | 12 | 1 399 414 | 1 213 757 |
| Deferred in the previous year | | 228 825 | 309 404 |
| Deferred to the next year | | (289 546) | (228 825) |
| Accrued income on grants in the previous year | | (54 963) | (15 753) |
| Accrued income on grants in the current year | | 44 154 | 54 963 |
| Other income | | 7 561 | 43 982 |
| Services provided | | 9 072 | 1 459 |
| % Bank | | | |
| Realized exchange gain | | | |
| Foreign exchange gain | | 28 257 | 13 350 |
| TOTAL INCOME | | <u>1 372 774</u> | <u>1 392 337</u> |
| EXPENSES: | | | |
| Foreign exchange loss | | (5 022) | (6 537) |
| Exchange difference | | | |
| Account of own funds | | 1 784 | (2 285) |
| Humanitarian aid | | | |
| Administrative expenses | 13 | (160 407) | (157 679) |
| Expenses of carrying out programs | 14 | (1 059 489) | (1 162 000) |
| TOTAL EXPENSES: | | <u>(1 223 134)</u> | <u>(1 328 501)</u> |
| The (deficit)/surplus for the year | | 149 640 | 63 836 |
| Balance at the beginning | | 88 072 | 50 787 |
| Transfer to Property Fund | | (6 731) | (16 543) |
| Transfer to Project Fund | | | |
| Balance at the end | | <u>230 981</u> | <u>98 080</u> |
| Exchange income arising from translation income statement account at average rate rather than closing rate | | (27 301) | (10 008) |
| Balance at 31 December (at closing exchange rate) | | <u>203 680</u> | <u>88 072</u> |

Executive Director

Olexi Pasyuk

Chief Accountant


Svitlana Korobova

NGO “Centre for Environmental Initiatives “Ecoaction”
IFRS Financial Statements
For the year ended December 31, 2025
(in Euro)

Cash flow statement for 2025

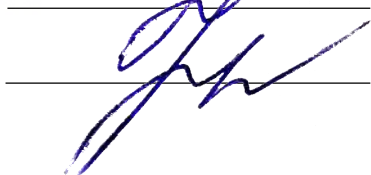
| | <u>2025</u> | <u>2024</u> |
|---|-----------------------|-------------------------|
| Cash flow from operating activities | | |
| The (deficit)/surplus for the year | 149 640 | 63 836 |
| Adjustment for: | | |
| Accrued interest of the bank | | |
| Decrease (Increase) in accrued grant income | 10 809 | (39 210) |
| Increase (Decrease) in deferred grant income | 4 868 | (80 579) |
| Working capital adjustments: | | |
| Decrease (Increase) in account of inventories | 15 | 17 |
| Decrease (Increase) in accounts prepayments | 1 331 | 54 031 |
| Decrease (Increase) in accounts other current assets | (358) | 66 |
| Increase (Decrease) in accounts payable | 60 721 | (27 374) |
| Increase (Decrease) in account other payable | (9 233) | (53 215) |
| Bank interest received | | |
| Cash generated from operating activities | 217 793 | (82 428) |
| Net Cash flow from operating activities | <u>217 793</u> | <u>(82 428)</u> |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (6 731) | (16 543) |
| Net cash flow from investing activities | <u>(6 731)</u> | <u>(16 543)</u> |
| Effect of foreign exchange rate change on cash and cash equivalents | (27 302) | (10 006) |
| Net change in cash and cash equivalents | <u>183 760</u> | <u>(108 977)</u> |
| Cash and cash equivalents at beginning of the year | <u>281 185</u> | <u>390 162</u> |
| Cash and cash equivalents at the year end | <u>464 945</u> | <u>281 185</u> |

Executive Director



Olexi Pasyuk

Chief Accountant



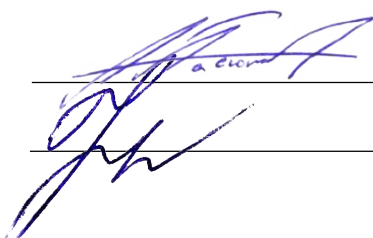
Svitlana Korobova

NGO “Centre for Environmental Initiatives “Ecoaction”
IFRS Financial Statements
For the year ended December 31, 2025
(in Euro)

Statement of changes in capital and reserves for 2025

| | Property Fund | Project Fund | Provision for foreign currency translation | Total |
|---|------------------|-----------------|--|----------------|
| Balance at 31 December 2024 | 17 622 | 88 072 | 1 | 105 695 |
| The surplus for the year | | 149 640 | | 149 640 |
| Transfer to property fund | | | | |
| Transfer to project fund | 6 731 | (6 731) | | |
| Depreciation for the year | (8 829) | | | (8 829) |
| write-off Residual value | | | | |
| Balance at 31 December 2025 | 15 524 | 230 981 | 1 | 246 506 |
| Exchange gain arising from translation income statement account at average rate rather than closing rate | (1 979) | (27 301) | (1) | (29 281) |
| Balance at 31 December 2025 (at closing exchange rate) | 13 545 | 203 680 | | 217 225 |

Executive Director



Olexi Pasyuk

Chief Accountant

Svitlana Korobova

NGO “Centre for Environmental Initiatives “Ecoaction”
IFRS Financial Statements
For the year ended December 31, 2025
(in Euro)

Notes to financial statements

1. Background

NGO “Centre of Environmental Initiatives “Ecoaction” (Ecoaction) is a non-governmental not-for-profit organization founded in 2017 to unite efforts of experts and activists in a joint struggle to protect the environment. We advocate for renewable energy, countering climate change, clean air for all and sustainable development of transport and agriculture in Ukraine. Our mission is to protect the environment via influencing decision makers and stakeholders and to develop an active Ukrainian community. Thus, our activities aim to influence decision makers and encourage them to conduct more environmentally friendly government policy from one hand, and from the other, to develop strong and influential community of civil society actors in Ukraine and the region to make the joint efforts more effective.

Ecoaction relies on funding from development programs of European governments and private foundations. However, we aim to get more support through individual donations from Ecoaction supporters.

Ecoaction is working currently on the following topics:

Energy

Ecoaction is working with politicians and other public officials advocating for a decentralised energy system through a more secure and robust distributed generation based on renewables as part of Ukraine’s green reconstruction without new fossil and nuclear projects.

In 2025, Ecoaction achieved significant breakthroughs. The Ukrainian government has adopted the State Target Programme for Just Transition of Ukraine’s Coal Regions until 2030, an initiative to which Ecoaction has contributed for years through advocacy and expert input. At the same time, we expanded our work in this area: we now support not only coal regions but also other carbon-intensive and mono-industrial communities in navigating just transition processes. Over the past year, we increased the number of partner communities from 20 to 40.

We also strengthened our work on energy efficiency, engaging both with homeowners associations (HOAs) and continuing research on implementing energy efficiency measures in apartment buildings without HOAs. Cooperation with LUN Misto was particularly

significant, resulting in the launch of the Energy Efficiency Map of Residential Buildings, which allows users to assess the comfort and cost-effectiveness of living in different buildings even before buying or renting them. Additionally, we were successful in our advocacy for the allocation of funds for the Energy Efficiency Fund from the State Budgets 2025 and 2026, and due to our input the plans of the Ministry of Community and Territorial Development for 2026 have the provisions to introduce a system for displaying energy efficiency classes in building advertisements and to improve the integration and accessibility of registers for online marketplaces.

In the field of nuclear energy, 2025 required maximum flexibility and rapid responses to political developments in Ukraine. In particular, we had to act swiftly when renewed attempts were made to push forward decisions on completing constructing new units at the Khmelnytskyi Nuclear Power Plant. Through timely advocacy, public engagement, and cooperation with anti-corruption organisations and members of parliament, these decisions were halted, and the procurement of equipment of Russian origin was prevented.

In 2025 Ecoaction's work on renewables focused on legislation needed for a closer alignment with the EU acquis, as well as direct work with specific towns and local NGOs. The requirement that energy communities (both citizen and renewable energy communities) must be exclusively non-profit was removed from two drafts laws due to our advocacy efforts. We also helped to develop 6 project cost documentation packages, 2 municipal energy plans, and supported 3 local NGOs through subgranting.

Overall, our key topics were presented at 19 events organised by Ecoaction. In particular, the "From the Bottom Up 2.0" camp brought together nearly 50 activists from across Ukraine for five days of training on implementing effective changes in their communities, as well as exploring energy issues and the future of Ukraine's reconstruction.

Additionally, Ecoaction's proposals were included during the revision of the National Energy and Climate Plan (NECP), particularly measures to protect decommissioning funds for nuclear power plants from inflation and to expand just transition to mono-industrial and carbon-intensive regions

Climate change

In 2025, Ecoaction continued to actively work at the national, local and international levels with climate issues. Our work focused on climate policy development and implementation, including mitigation and adaptation issues, alongside strengthening the transport sector's focus. In our work, we also addressed climate impact analysis of full-scale war and assessed

carbon pricing mechanisms. We further contributed to strengthening expert capacity, including through Ukrainian Climate Network.

In terms of *climate policy on national level* Ecoaction developed proposals to the draft Nationally Determined Contribution (NDC) by 2035. The proposals on the importance of climate change adaptation and the need for a just transition were accepted and incorporated in the final version of the NDC. In addition, we also set our focus on the topic of *carbon pricing mechanisms*. Based on the conducted analysis, we prepared Ecoaction's position paper on the introduction of a greenhouse gas emissions trading system (ETS), as well as a position paper on carbon credits in voluntary markets. Both positions were supported by an association of 40 environmental organisations of Ukrainian Climate Network.

In 2025 Ecoaction also managed to advance its *climate adaptation* efforts. The work is being implemented within the framework of the large-scale international project aimed at the implementation of the Paris Agreement and adaptation to the impact of climate change in the Black Sea Region. In 2025, the first steps were taken to identify climate challenges for local communities in the Black Sea region. This will lead to further creation of adaptation plans in the selected communities and support in direct implementation of pilot projects on the ground.

The significant part of our *international efforts* was again directed through the participation in COP climate negotiations (COP30). We prepared a position paper on climate policy priorities for COP30, which was taken into consideration by Ukrainian decision-makers. Participation at COP30 also gave us the chance to bring the issue of *climate damage caused by Russian aggression* to international attention. Together with the Initiative for Accounting for Greenhouse Gas Emissions from War, through our advocacy efforts, we ensured that in November 2025, at the COP30 climate conference, Ukraine announced its intention to submit a claim to the international Register of Damage for Ukraine to seek compensation for climate damage caused by Russian aggression.

In 2025 we continued our efforts on the *local level* with a purpose to help Ukrainian local communities become more climate resilient. Together with partners, we conducted a needs assessment of 12 urban communities participating in the SUN4Ukraine project, focusing on pathways towards climate neutrality under conditions of full-scale invasion. These findings formed the basis for subsequent project activities. We also facilitated city partnerships — Kharkiv–Izmir and Novovolynsk–Aachen — within the Partnership Programme of the SUN4Ukraine project, linking Ukrainian communities with cities participating in the EU

Mission for Climate-Neutral and Smart Cities. The aim is to accelerate climate neutrality planning through knowledge exchange and alignment with the EU Mission's ambitious goals.

Renewed in 2024, the *transport* agenda continued to evolve and strengthen. In particular, in 2025 together with partners, we organized a series of events in Kyiv as part of the European Mobility Week, drawing attention to the importance of sustainable urban mobility. Our team also prepared recommendations for the Ministry for Development of Communities and Territories of Ukraine on public transport reform and tolling.

As to the *strengthening of capacity* we organized Ecoaction's Climate Media School, which helped more than 10 climate experts to engage with the media more effectively. We also supported the implementation of 12 events aimed at raising awareness of climate change as part of the online marathon, held to mark the 25th anniversary of the Ukrainian Climate Network.

Agriculture and land-use

In the agriculture work, in 2025, Ecoaction continued to work on the promotion of sustainable development of agriculture in Ukraine, in reducing nitrate water pollution and improving nutrient management on the farm, and the adaptation of Ukraine's agriculture to the EU's environmental requirements.

Throughout 2025, Ecoaction actively collaborated with Polish partners; in particular, a study tour was organised to Polish farms for agricultural advisers and representatives of government bodies, as well as to Ukrainian farms, to gain an understanding of the changes that may be implemented in connection with the implementation of the Nitrates Directive. As a continuation of this work, a Programme to reduce nitrate pollution of water from agricultural sources was developed: Poland's experience, lessons for Ukraine, and a digital tool for livestock farms (cattle) to calculate manure production and storage.

In addition, Ecoaction has gathered data on groundwater nitrate pollution from the Ministry of Health over the past 10 years and developed an interactive regional-level map.

Ecoaction continues to advocate for environmental issues within the context of agriculture and land use as part of Ukraine's EU accession process, and we continue to manage and update the Facebook group "Sustainable Farming in the European Way".

Throughout 2025, we continued to work in collaboration with the Bankwatch network to support communities in the Vinnytsia and Ivano-Frankivsk regions affected by the negative impact of livestock farms; this included field visits and facilitating communication between complainants and international financial institutions.

Concerning our work on biodiversity, we continued to monitor and actively engage in efforts to prevent initiatives that could deteriorate biodiversity protection in Ukraine. We worked proactively with the Barvinkivska community in the Kharkiv region to develop a complex recovery programme and prepare a justification for the designation of a valuable nature protection area. Throughout 2025, Ecoaction, with the involvement of experts, conducted a sociological survey of community residents' attitudes towards nature protection areas and developed a guide on the benefits to communities of creating new protected areas. Additionally, Ecoaction co-organised a Symposium on the Sustainable Recovery of Ukraine, where issues of sustainable land use and biodiversity conservation were discussed.

Concerning the land-use work, Ecoaction continues to work systematically within the Land Matrix initiative. Ecoaction continues to collect data on large-scale land acquisition in Eastern Europe, particularly in agriculture, renewable energy, and carbon projects. Throughout 2025, Ecoaction organised and participated in several field trips to discuss with locals the negative impacts of wind farms on their communities. Ecoaction, together with experts, also conducted a sociological survey of small farmers to understand how land concentration affects their access to land.

Special provisions

According to the Decree of the President of Ukraine of February 24, 2022, No. 64/2022 "On martial law in Ukraine" in connection with the military aggression of the Russian Federation against Ukraine on the territory of Ukraine imposed martial law from 05 hours 30 minutes on February 24, 2022.

The specified situation and subsequent events have a comprehensive impact on all companies whose activities are carried out on the territory of Ukraine. Accordingly, the Organization's management notes that there is a material uncertainty that may cast significant doubt on the Organization's ability to continue as a going concern.

Currently, it is impossible to reliably assess the impact of military aggression on the Organization's future activities. It should be noted that the Organization has no suppliers and buyers who are residents of aggressor countries, business relations do not extend to the territory of these countries.

It should be noted separately that the Management does not intend to cease the Organization's activities, therefore the provisions of IFRS 5 "Non-current assets held for sale and discontinued operations" were not applied during the preparation of financial statements.

Key management personnel compensation

The organization's related parties include key governing and management personnel consisting of 9 people:

Board members:

Vladlena Martsinkevich - Chairman of the Board,

Iryna Holovko - Member of the Board, Anna Ackermann - Member of the Board, Marina Ratushna - Member of the Board, Maria Luk'yanova - Member of the Board, Mykhailo Amosov - Member of the Board,

Staff:

Olexi Pasyuk - Executive Director, Maria Belkina - Deputy Chief Director, Svitlana Korobova - Chief Accountant,

The salaries of the above-mentioned staff amounted to

| <u>2025</u> | <u>2024</u> |
|-------------|-------------|
| 96 778 | 71 608 |

There were no other related party transaction.

2. Basis for preparation of financial statements

Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

National currency of Ukraine is hryvnia (UAH). Therefore, the accounting currency for the purposes of given financial statements is hryvnia.

The Organization keeps its records in UAH according to Ukrainian National Accounting Standards (UNAS). Certain adjustments not reflected in the Organization's accounting registers and required to present the Organization's financial position, its operating results and cash flows according to IFRS, make these financial statements different from those prepared under UNAS.

Financial statements are presented in euro (EUR), all amounts are rounded to integer values, if not stated another.

3. Key accounting judgments, estimates and assumptions and basic accounting policies

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are

based on information available as at the date of the financial statements. Actual results, therefore, could differ from these estimates. The most significant estimates with regard to these financial statements relate to the valuation of cost and useful lives of property, plant and equipment, intangible assets.

Foreign currencies

Based on the economic substance of the underlying events and circumstances, the functional currency of the Organization is Ukrainian hryvnia.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates valid at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange valid at the balance sheet date. All resulting differences are reflected in the income statement.

These financial statements are presented in Euro. The Organization maintains its accounting records in Ukrainian hryvnya ("UAH") in accordance with the requirements of Ukrainian statutory accounting and tax legislation. The accompanying financial statements differ from the financial statements issued for statutory purposes in Ukraine in that they reflect certain adjustments, not recorded in the Organization's books, which are appropriate to present the financial position and the results of the Organization's operations in accordance with IAS.

The translation of the financial statements from the hryvnia to the euro is carried out as follows:

- current assets and liabilities are translated at the NBU exchange rate at the date of preparation of the financial statements;
- costs in UAH for projects funded from grants in euros or US dollars are translated into euros or dollars at the exchange rate agreed upon in the grant contract;
- costs in dollars are converted into euro at the exchange cross rate of the NBU;
- other expenses and incomes in UAH are translated into euro at the average annual exchange rate of the NBU;
- balancing amounts are reflected as a reserve for conversion into foreign currency.

Following is a summary of exchange rates published by the NBU for the currencies of the Company's principal activities:

Currency exchange rates according to NBU:

| Official rate by NBU | Euro | USD | GBP | NOK |
|-----------------------------|-------------|------------|------------|------------|
| 31.12.2025 | 49,8565 | 42,3878 | 57,2108 | 4,213 |
| 31.12.2024 | 43,9266 | 42,039 | 52,946 | 3,7073 |

| | | | | |
|------------------------------------|---------|---------|---------|--------|
| Annual average NBU rate in 2025 | 47,0635 | 41,6891 | 54,9373 | 4,0168 |
|------------------------------------|---------|---------|---------|--------|

Property, plant and equipment

Property, plant and equipment are valued at acquisition, less accumulated depreciation and accumulated loss from impairment.

Property, plant and equipment are depreciated under the straight-line method over estimated useful lives of corresponding assets:

| Group | Useful life |
|------------------|--------------------|
| Office equipment | 3 years |
| Other | 5 years |

Intangible assets

Intangible assets are valued at acquisition cost, less accumulated depreciation and accumulated loss from impairment.

Intangible assets are amortized on a straight-line basis over 3 - 5 years.

Receivables and other assets

Receivables and other assets are reported at nominal value, where necessary adjusted by specific bad-debt charges.

Inventories

Inventories are assessed at lower of the cost or the net realizable value. Expenses attributable to transportation of each inventory to its current location and present condition, are included in the cost of inventories. Inventories are written-off under FIFO method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term bank deposits.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Liabilities

Liabilities are reported at the prepayment amount.

Income recognition

Income from grants is recognized in the period in which expenses related to fulfillment of the grant were incurred.

Financing of capital investments is recognized as income in the period of beneficial usage of corresponding investment facilities (fixed assets, intangible assets, etc.) in proportion to the amount of accrued depreciation of such facilities.

Incurred project expenses coordinated with donors are recognized as receivable at the same time as income is recognized.

Accordingly, deferred grant income comprises income received in advance of the period to which it relates, is excluded from income, and accounted for as a current liability.

Similarly, accrued grant income which is income designated for the current year but received subsequent to the financial year end, is included in income and accounted for as a current asset.

Received from donors is the amount of money received from grantors. Income from grants is recognized in the period in which the expenses related to the fulfillment of the grant conditions were incurred. It increases the Organization's income in the income statement for 2025.

Deferred in the previous year is the balance of the line item "Other current liabilities (Deferred grants income)" of the balance sheet at the beginning of the reporting period. Deferred grant income is income received before the period to which it relates; it is not included in income and is recorded as current liabilities.

Deferred income

Funds received from donors to finance future statutory activities expenses and membership fees are reflected in account 481. The same item includes the amount of advance payment for goods, works, services that were included in the reports to donors, but were not received at the time of preparation of the financial report. Income from these advance payments will be recognized upon receipt and use of the paid assets, works, services. Increases the Organization's income in the income statement for 2025.

Deferred to the next year is the balance of the line item "Other current liabilities (Deferred grants income)" of the balance sheet at the end of the reporting period. This is the balance of debt on target funding at the beginning of the reporting period. Reduces the Organization's income in the income statement for 2025.

Accrued income on grants in the previous year is the balance of the line item "Accrued grants income" of the balance sheet at the beginning of the reporting period. This is the balance of target funding that the Organization expects to receive to repay the expenses actually incurred. In accounting, the balance of debt on target funding at the beginning of the

reporting period. Reduces the Organization's income in the income statement for 2025.

Accrued income on grants in the current year - this is the balance of the line item "Accrued grants income" of the balance sheet at the end of the reporting period. This is the balance of targeted funding that the Organization expects to receive to repay the expenses actually incurred. In accounting - the balance of debt under targeted funding at the end of the reporting period. Increases the Organization's income in the income statement for 2025.

Services provided - funds received from the sale of analytical reporting services, which is recognized as income.

Interest income

Revenue is recognized as the interest accrued (taking into account the effective yield on the asset).

Project fund

This fund includes voluntary contributions from organizations and citizens of Ukraine and non-project contributions from non-residents of Ukraine to support Ecoaction activities.

Property fund (Equipment fund)

Upon acquisition, through grants, of fixed assets which remain the property of the organization, the funds from grants are transferred to the Property fund. In the future, income from financing is recognized proportional to the amount of accrued depreciation.

Other expenses

Other expenses include: expenses related to the write-off of non-current assets and expenses related to their disposal. In accordance with IFRS (IAS) 1 "Presentation of Financial Statements", the Organization in the statement of comprehensive income for 2024 and 2025 reflects positive and negative foreign exchange differences on a net basis.

Administrative expenses reflect general business expenses associated with the management and maintenance of a non-profit organization. Expenses are recognized at the time of spending. Line structure (expense elements): Salaries of administrative personnel; rent and maintenance of office premises; communication (telephone, internet, mail); audit; bank commissions; other.

Expenses of carrying out programs - expenses related to the implementation of statutory activities include payments of salaries to employees (except for administrative staff), deductions to social insurance funds for employee salaries and other expenses for the implementation of the statutory tasks of the organization. Expenses are recognized at the time of spending funds. Line structure (expense elements): Salaries of administrative staff; consultants and external experts; business trips; events (meetings, trainings, conferences, street actions, etc.); publications, website, advertising, promotion; subgrants to other NGOs, including partnership projects; office equipment, furniture and inventory; other.

Vacation reserve

The Organization accrues provisions for vacation pay.

4. Property, plant and equipment

During the years ended 31 December, depreciated cost of property, plant and equipment changed as follows:

| | Equipment | office furniture and fittings | Others | Total |
|---------------------------------|------------------|--|---------------|---------------|
| Value as at 01.01.2025 | 54 271 | 7 093 | 1 953 | 63 317 |
| Additions | 6 731 | | | 6 731 |
| Transfers | | | | |
| Disposals | (8 531) | | | (8 531) |
| Effect of exchange rate changes | | | | |
| Value as at 31.12.2025 | 52 471 | 7 093 | 1 953 | 61 517 |

| | Equipment | office furniture and fittings | Others | Total |
|---------------------------------|------------------|--|---------------|---------------|
| Depreciation | | | | |
| Value as at 01.01.2025 | 36 649 | 7 093 | 1 953 | 45 695 |
| Depreciation | 8 829 | | | 8 829 |
| Disposals | (8 531) | | | (8 531) |
| Effect of exchange rate changes | 1 979 | | | 1 979 |
| Value as at 31.12.2025 | 38 926 | 7 093 | 1 953 | 47 972 |

| | | | | |
|-------------------------------------|---------------|--|--|---------------|
| Net book value at 31.12.2025 | 13 545 | | | 13 545 |
|-------------------------------------|---------------|--|--|---------------|

5. Intangible Assets

As of 31.12.2024 and 31.12.2025, the carrying amount of intangible assets is absent.

6. Inventories

Materials

| | | |
|---------------------------------|-----------|-----------|
| Value as at 01.01.2024 | 54 | 54 |
| Additions | 11 054 | 11 054 |
| Write off | (11 062) | (11 062) |
| Effect of exchange rate changes | (7) | (7) |
| Value as at 31.12.2024 | 39 | 39 |

7. Accrued grants income

As at 31 December accrued grant income included:

| | 2025 | 2024 |
|-----------------------|-------------|-------------|
| CEE Bankwatch Network | 38 800 | 9 020 |
| Germanwatch | | 12 240 |

| | | |
|---|---------------|---------------|
| Austausch e.V | | 6 114 |
| BUND | | 16 802 |
| European Federation for Transport and Environment | 3 755 | 1 487 |
| LUFTFORORENINGS- OCH KLIMAT- FORST | 1 599 | 2 963 |
| NGO Ecoclub | | 6 337 |
| Total | 44 154 | 54 963 |

The total amount of unreceived target funding as of 31.12.2025 is 44 154 euros. This debt is a current debt reflecting expenses reported to donors that are not yet transferred to Ecoaction's account. The donors are well-established organizations with the track record of paying all properly reported expenses in the framework of signed agreements.

Ecoactions's main counterparties are international donors and partners with a high level of financial reliability (in particular, international institutions and funds). Taking into account:

- the nature of the financing (grant agreements with defined conditions),
- the absence of historical credit losses,
- the practice of full or near-full reimbursement of confirmed expenses,

the Organization assesses credit risk as low and the potential expected credit losses (ECL) as immaterial.

8. Prepayments

As at 31 December prepayments included:

| | 2025 | 2024 |
|--|---------------|---------------|
| Prepayments to suppliers for equipment and intangible assets | | |
| Prepayments to suppliers for services | 17 657 | 18 988 |
| Total | 17 657 | 18 988 |

9. Cash and cash equivalents

As at 31 December cash and cash equivalents included:

| | 2025 | 2024 |
|---|----------------|----------------|
| Cash at banks and on hand in local currency | 2 290 | 13 263 |
| Cash at banks in foreign currency | 462 655 | 267 922 |
| | 464 945 | 281 185 |

The organization's funds are stored in current accounts opened at PJSC Raiffeisenbank. According to national agencies, the bank has the highest possible reliability levels uaAAA, which actually reduces the probability of default to zero.

The bank consistently holds the top positions in profile ratings (for example, the leader of the stability rating from the Minfin portal and Focus magazine, recognized as one of the "Banks of the Year").

The parent group Raiffeisen Bank International AG-Austria also demonstrates high international reliability A- / A1 and fully guarantees the liquidity of the Ukrainian Raiffeisen Bank. Since the funds in the accounts at Raiffeisen Bank have high liquidity and the highest credit rating, the amount of expected credit losses (ECL) on balances on current accounts is almost zero. The funds are fully liquid, have no restrictions on use and, according to the

internal classification of IFRS 9, are assigned to Stage 1 - financial assets with credit risk from the moment of initial recognition.

10. Other payable

| | 2025 | 2024 |
|------------------|---------------|---------------|
| Vacation reserve | 14 301 | 10 031 |
| Deferred income | 18 857 | 18 259 |
| Total | 33 158 | 28 290 |

11. Other current liabilities (Deferred grants income)

| | 2025 | 2024 |
|---|----------------|----------------|
| CHERNOMORSKI IZSLEDOVATELSKI ENERGIEN | 27 202 | |
| Austausch e.V | | 6 683 |
| IRF | | 1 974 |
| Norges naturvernforbung | 32 507 | 20 552 |
| SSNC | 4 327 | 7 780 |
| CLOVEK V TISNI | 48 082 | |
| Deutsche Gesellschaft für Internationale Zusammenarbeit | 76 673 | |
| EUROCITIES ASBL | 17 327 | 88 002 |
| European climate foundation | 39 524 | 48 506 |
| EUROPEAN COMMISSION | | 13 518 |
| FCDO | 19 585 | |
| CEE Bankwatch Network | | 9 537 |
| Olin gemeinnuetzige GmbH | | 3 850 |
| Robert Bosch Stiftung | 24 319 | 28 423 |
| Total | 289 546 | 228 825 |

12. Received from donors

| Income: | 2025 | 2024 |
|-------------------------|-------------|-------------|
| BUND | 70 286 | 38 613 |
| Ecoclub NGO | 16 944 | 132 122 |
| CEE Bankwatch Network | 98 607 | 57 043 |
| Austausch e.V | 44 879 | 47 877 |
| Germanwatch | 16 480 | 139 235 |
| CLOVEK V TISNI | 280 000 | |
| Norges naturvernforbung | 68 279 | 54 185 |
| SSNC | 96 979 | 117 228 |
| GREENPEACE | | 131 517 |
| IRF | 11 792 | 4 553 |
| Land matrix | 62 205 | |
| Robert Bosch Stiftung | 49 988 | 39 996 |
| EUROCITIES ASBL | | 101 765 |

| | | |
|--|------------------|------------------|
| European climate foundation | 100 663 | 75 263 |
| EUROPEAN COMMISSION | 59 302 | 243 209 |
| Olin gemeinnuetzige GmbH | 25 000 | 25 000 |
| CHERNOMORSKI IZSLEDOVATELSKI ENERGIEN | 28 635 | |
| Deutsche Gesellschaft fur Internationale Zusammenarbeit | 245 593 | |
| FCDO | 74 508 | |
| European Federation for Transport and Environment | 24 996 | |
| Others | 24 278 | 6 151 |
| Total: | 1 399 414 | 1 213 757 |

13. Administrative expenses

| | <u>2025</u> | <u>2024</u> |
|--|----------------|----------------|
| Salaries administrative staff | 108 146 | 106 854 |
| Consultants and External experts | | 113 |
| Office rent and maintenance, office expenses | 36 227 | 37 331 |
| Communications (phone, internet, postal) | 5 132 | 1 484 |
| Audits | 6 068 | 3 553 |
| Bank fees | 3 822 | 5 853 |
| Others | 1 012 | 2 491 |
| Total: | 160 407 | 157 679 |

14. Expenses carrying out program (Euro)

| No | Item Name | Total | Austausch e.V | Robert Bosch Stiftung | BUND | CEE Bankwatch | European climate foundation | EU Delegation | FCDO | Land Matrix | Norges naturvern forning | Olin gemeinnuetzige GmbH | Deutsche Gesellschaft fur Internationale Zusammenarbeit | CLOVEK V TISNI | SSNC | EUROCITIES ASBL | Transport and Environment | others |
|----------|---|------------------|---------------|-----------------------|---------------|----------------|-----------------------------|---------------|---------------|---------------|--------------------------|--------------------------|---|----------------|---------------|-----------------|---------------------------|---------------|
| 1 | Main costs: | | | | | | | | | | | | | | | | | |
| 1.1 | Salaries-staff | 709 200 | 14 816 | 33 960 | 14 907 | 89 310 | 72 172 | | 15 150 | 48 900 | 28 689 | 24 981 | 108 694 | 118 313 | 55 187 | 42 537 | 22 567 | 19 017 |
| 1.2 | Consultants and External experts | 60 800 | 5 623 | 436 | 2 915 | 9 370 | 7 599 | 3 025 | | | 9 046 | | 5 195 | 4 208 | 13 377 | | | 9 |
| 1.3 | Travel | 63 035 | 2 418 | 8 405 | 2 927 | 10 271 | 10 038 | | | 5 434 | 565 | | 5 939 | 5 661 | 2 079 | 3 854 | | 5 445 |
| 1.4 | Events (meetings, trainings, conferences, street actions, etc.) | 86 189 | 7 513 | 825 | 8 424 | 14 383 | 10 233 | | 717 | | 632 | | | 33 295 | 9 786 | | | 381 |
| 1.5 | Publications, web, promo, visibility | 33 811 | 2 015 | 3 206 | 3 232 | 1 188 | 6 748 | | | 2 344 | 3 692 | 3 306 | | 1 674 | | | | 6 406 |
| 1.6 | Sub-grants to other NGOs, incl. partnership projects | 94 945 | 1 794 | | 7 964 | | | 20 207 | 35 348 | | | | | 29 632 | | | | |
| 1.7 | Office Equipment, office furniture and fittings, others | 5 542 | | | | | | | | | 2 500 | | | 2 123 | 919 | | | |
| 1.8 | others | 5 967 | 110 | | | | 2 494 | | | 1 490 | | | 956 | 917 | | | | |
| | SubTotal | 1 059 489 | 34 288 | 46 831 | 40 369 | 124 522 | 109 283 | 23 232 | 51 215 | 58 168 | 45 125 | 28 287 | 120 785 | 195 822 | 81 348 | 46 391 | 22 567 | 31 258 |
| 2 | Administrative costs: | | | | | | | | | | | | | | | | | |
| 2.1 | Salaries administrative staff | 108 146 | 3 398 | 2 717 | 9 092 | | | | 299 | 1 824 | 7 699 | | 39 560 | 22 045 | 10 102 | 10 149 | | 1 260 |
| 2.2 | Office rent and maintenance, office | 36 227 | 868 | | 1 246 | 12 821 | | | 1 105 | | 859 | 488 | 4 780 | 6 638 | 5 163 | | 1 539 | 721 |
| 2.3 | Communications (phone, internet, postal) | 5 132 | 622 | | 2 337 | 135 | | | 495 | | 547 | | 261 | 53 | 477 | 206 | | |
| 2.4 | Audits | 6 068 | | | | | | 3 483 | | | 1 005 | | | | 1 579 | | | |
| 2.5 | Bank fees | 3 822 | 85 | 148 | 235 | 448 | 362 | | 169 | 194 | 204 | 75 | 495 | 698 | 464 | 8 | 60 | 177 |
| 2.6 | others | 1 012 | | | | | | | 791 | | | | 101 | | | | | 120 |
| | SubTotal | 160 407 | 4 973 | 2 865 | 12 910 | 13 404 | 362 | 3 483 | 2 859 | 2 018 | 10 315 | 563 | 45 196 | 29 434 | 17 785 | 10 363 | 1 598 | 2 278 |
| | Total | 1 219 896 | 39 261 | 49 695 | 53 280 | 137 926 | 109 645 | 26 715 | 54 074 | 60 186 | 55 440 | 28 850 | 165 981 | 225 256 | 99 132 | 56 754 | 24 166 | 33 536 |

Executive Director
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