ASSOCIATION EFE TUNISIA "EDUCATION FOR EMPLOYMENT"

STATUTORY AUDITOR'S REPORT

Financial year ended December 31, 2025

Building a better working world

Summary

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Association EFE Tunisia "Education For Employment"

Statutory Auditor's Report
Financial Statements – Financial year ended December 31,2025

Report on the financial statements

1. Opinion

In compliance with the assignment entrusted to us by your General Meeting held on November 10th, 2023, we present below our report on the financial statements of EFE Tunisia "Education For Employment" which include the balance sheet as of December 31st, 2025, the statement of income and expenses, and the cash flows statement for the year ended on that date along with the accompanying notes, including the summary of significant accounting policies.

These Financial Statements present a negative net asset of 60 461 Tunisian Dinars, including a negative surplus of 36 932 Tunisian Dinars in 2025.

In our opinion, the financial statements present fairly, in all material respects, the financial position of "EFE Tunisia" as of December 31st, 2025, as well its financial performance and its cash flows for the year then ended in accordance with Tunisian GAAPs.

2. Basis For Opinion

We conducted our audit in accordance with international audit standards applicable in Tunisia. Our responsibilities under these standards are further described in the Auditor's Responsibilities for audit of Financial Statements section of this report. We are independent of the Association in accordance with ethical requirements that apply to the audit of the Financial Statements in Tunisia, and we fulfilled other ethical responsibilities we have under these rules.

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

3. Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting System for Enterprises in Tunisia. This responsibility includes the design, the implementation, and the monitoring of such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for making accounting estimates that are reasonable in the circumstances.
During the preparation of financial statements, it is the Management's responsibility to assess the association's ability to continue its operations, communicate, if any, issues relating to the continuity of operations and apply the accounting principle of going concern unless the Management intends to liquidate the association or to cease trading or no other realistic solution open to it.

It is the responsibility of those charged with governance to monitor the financial reporting process of the association.

4. Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial 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 it does not guarantee that an audit conducted in accordance with the international auditing standards applicable in Tunisia will always detect any material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably be expected to influence the economic decisions of users taken based on these Financial Statements.

As part of an audit conducted in accordance with the applicable international auditing standards in Tunisia, we exercise our professional judgment and exercise critical judgment throughout this audit.

In addition :

- We identify and assess the risks that the financial statements of material misstatement, whether due to fraud or error, design and implement audit procedures in response to these risks, and gather sufficient evidence reasonable basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error because fraud may involve collusion, forgery, voluntary omissions, false statements or circumventing internal control ;

- We gain an understanding of the internal control elements relevant to the audit in order to design appropriate audit procedures in the circumstances ;

- We appreciate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as relevant information provided by them.

- We draw a conclusion as to the appropriateness of management's use of the going concern accounting principle and, depending on the evidence obtained, whether or not there is significant uncertainty related to events or situations likely to cast significant doubt on the company's ability to continue its operations. If we conclude the existence of a material uncertainty, we have to attract the attention of readers of our report on the information provided in the financial statements or express a modified opinion if this information are not adequate. Our conclusions are based on the evidence obtained up to the date of our report. Future events or situations could also bring the company to cease operations;

- We evaluate the overall presentation, the form and the content of the Financial Statements, including the information provided in the notes, and assess whether the Financial Statements represent the underlying transactions and events in a way that gives a faithful image.

- We communicate to those charged with governance including the extent and timetable of audit work and our important findings, including any significant deficiencies in internal control that we may have identified during our audit.

5. Report on other legal and regulatory requirements

As part of statutory audit, we also carried out specific procedures prescribed by law and professional standards. Based on these procedures, we did not identify any non-compliance concerning legal and regulatory obligations.

Tunis, 30th June 2026

AMC Ernst & Young

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EDUCATION FOR EMPLOYEMENT

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Financial Statements
As at December 31st, 2025

<u>Summary</u>

Statement of Financial Position

Year Ended December 31, 2025

In TND

Assets	Notes	31-dec-25	31-dec-24
Assets			
Cash and cash equivalents	**2.1.1**	846 534	608 320
Other current assets	**2.1.2**	213 338	146 459
Financial Fixed Assets	**2.1.3**	14 000	16 700
Tangible Fixed Assets	**2.1.4**	52 977	71 502
Intangible Fixed Assets	**2.1.5**	-	-
Total Assets		**1 126 849**	**842 981**
Liabilities			
Bank overdrafts and other financial liabilities	**2.2.1**	85	200
Other current liabilities	**2.2.2**	918 324	626 840
Suppliers	**2.2.3**	312 645	194 808
Provisions		32 251	44 661
Total Liabilities		**1 306 587**	**866 510**
NET Assets			
Accounting changes	**2.3**	<627 919>	<627 919>
Surplus deferred	**2.3**	604 390	837 170
Deficit of the year	**2.3**	<36 932>	<232 780>
Total Net Assets		**<60 461>**	**<23 529>**
Total of Liabilities and Net Assets		**1 126 849**	**842 981**

Statement of revenues and expenses

The period from January 1 to December 31, 2025

In TND

	Notes	31-dec-25	31-dec-24
Revenues			
Operationg Grants	**3.1**	1 549 302	1 434 607
Other earnings		96 173	630 758
Others profits		86 449	
Total income		**1 731 924**	**2 065 365**
Expenses			
Purchases of consumed supplies	**3.2.1.1**	106 381	367 154
Staff Expenses	**3.2.1.2**	791 396	752 906
Depreciations and Provisions	**3.2.1.3**	202 322	172 082
Other current expenses	**3.2.1.4**	664 061	1 005 629
Other losses		4 696	375
Total expenses		**1 768 856**	**2 298 145**
Deficit of income over expenses for the year		**<36 932>**	**<232 780>**

Cash-flow Statement

The period from January 1 to December 31, 2025

In TND

	Note	31-dec-25	31-dec-24
Cash flows from Operating Activities			
Receipts of operating grants		1 750 961	1 809 533
Receipts of other income and contributions		96 172	
Disbursement of amounts paid to suppliers		<716 093>	<1 542 567>
Encaissements d'autres revenus et apports		<380 733>	-
Disbursement of salaries paid to staff		<533 770>	<577 716>
Other disbursements from current activities		-	<500 448>
Cash flows from Operating Activities		**230 538**	**<811 197>**
Cash flows from Investing Activities			
Disbursement of security deposit		14 000	-
Payments for acquisitions of Tangible and Intangible fixed Assets		<14 459>	<11 888>
Proceeds from disposal of intangible and tangible fixed assets		19 550	-
Receipt of security deposit		16 700	-
Cash flows from Investing Activities		**7 791**	**<11 888>**
Treasury Variance		**238 328**	**<823 085>**
Cash at the beginning of the year		608 120	1 431 206
Cash at Closing	**4**	**846 449**	**608 120**

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2025

(Figures in Tunisian Dinars)

NOTE 1- APPLIED ACCOUNTING PRINCIPELS

1-1- Presentation of accounts and the financial statements:

The financial statements of the Association "EDUCATION FOR EMPLOYMENT" "EFE Tunisia" as at December 31, 2025, were prepared in accordance with the accounting hypothesis and conventions provided by the corporate Accounting System of 1996.
The statement of financial position, the statement of income and expenses, and the statement of cash flows are presented in accordance with Tunisian Accounting Standard N°45.

1-2- Accounting System:

The accounting system of "EFE Tunisia" is presented as follows:

The accounting records are kept on PC computers and on the foundation local server. The input if carried out directly on accounting documents.

The accounting software currently in place allows for the preparation of the general subsidiary ledgers, auxiliary trial balances and general ledger trial balances.

1-3- Applied Accounting Principles:

The most significant accounting principles and methods applied by "EFE Tunisia" for the preparation of its financial statements are as follows:

1-3-1- Recognition of tangible and intangible fixed assets:

Tangible and intangible assets are recognized at their acquisition costs, including directly attributable processing costs, and costs incurred for their acquisition and commissioning. They are depreciated on the straight-line method based on the following rates:

Material and tools	15%
Telephone Equipment	20%
Design, Fittings and installations	10%
Office Equipment	20%
Computer Equipment	33,33%

1-3-2- Monetary Unit:

The accounts of “EFE Tunisia” are presented in Tunisian dinars (DT).

1-3-3-Going Concern:

The financial statements as at December 2025 are prepared with going concern perspective.

NOTE 2- INFORMATION AS REGARDS THE STATEMENT OF FINANCIAL POSITION

2-1 ASSETS

2-1.1 <u>*Cash and cash equivalents:*</u>

This caption totaled 846 534 TND as at 31/12/2025, detailed as follows:

	2025	**2024**
BIAT EFE CITI	75	1 639
BIAT EFE DAPP	155 237	299 230
BIAT EFE DROSOS	-	147
BIAT EFE FAST	-	16 958
BIAT EFE GIZ	-	22
BIAT EFE HIVOS	4 508	-
BIAT EFE INNOVI	-	4 135
BIAT EFE JOBS	3 192	4 177
BIAT EFE MCKINSEY	-	35 242
BIAT EFE NEAAC RR	-	97 604
BIAT EFE OSF	-	1 158
BIAT EFE Tunisia	158 550	147 360
BIAT EFE ZARZIS	-	528
BIAT EFE EOF	97 825	
BIAT EFE DRC DAPP	425 633	
Cash EFE	275	12
Cash formation	414	102
Cash Zarzis	825	4
Total	**846 534**	**608 320**

2-1.2 <u>*Other current assets :*</u>

Other current assets totaled 213 338 TND as at 31/12/2025 detailed as follows:

	2025	**2024**
Suspense Acts	143 050	45 429
Accured Expenses assets	13 320	2 923
Various Debtors	2 351	11 484
Tax	-	18 717
Loan Salaries	5 417	16 017
Receivable income (*)	192 170	119 951
Royalties on salaries	49	49
Withholding/Sales	20 984	20 984
VAT	891 415	819 130
Provision for other impairement	<164 051>	<89 142>
Provision for impairement VAT	<891 367>	<819 082>
Total	**213 338**	**146 459**

(*) The receivable income is detailed as follows:

Project	Receivable income
Hivos	57 362
VILAJ	1 574
Overhead EFE	125 681
Receivable income (Others)	7 553
Total	**192 170**

2-1.3 Financial Fixed Assets:

Financial Fixed Assets totaled 14.000 TND as at 31 December 2025 and detailed as follows:

	2025	2024
Deposit and bonding	14 000	16 700
Equity investments	210 000	210 000
Provisions for impairement of investments	<210 000>	<210 000>
Total	**14 000**	**16 700**

2-1.4 Tangible Fixed Assets:

The net value disclosed in the balance sheet corresponds to the acquisition value of the foundation's fixed assets elements totaling 328,040 TND, reduced by accumulated depreciation totaling 275,063 TND as of December 31, 2025.

The depreciation table is presented under Appendix I. It traces the development of its components.

2-1.5 Intangible Fixed Assets:

The net value disclosed in the balance sheet corresponds to the acquisition value of the foundation's fixed assets elements is null, reduced by accumulated depreciation totaling 108,102 TND as of December 31, 2025.

The depreciation table is presented under Appendix I. It traces the development of its components.

2-2 Liabilities

2-2.1 Bank loans and other financial liabilities:

This account totaled 85 TND as at 31/12/2025 and detailed as follows:

	2025	2024
BIAT EFE MCKINSEY	29	-
BIAT EFE HIVOS	-	200
BIAT NEAAC ZARZIS	19	-
BIAT EFE INNOVI	18	-
BIAT EFE PASNEAAC	19	-
Total	**85**	**200**

2-2.2 *Other current Liabilities :*

Other current liabilities totaled 918 324 TND, detailed as follows as at 31/12/2025:

	2025	2024
Due taxes and Duties	12 180	29 138
CNSS	55 850	53 792
CNRPS	58 687	134 681
Provisions for paid vacation	31 289	27 988
Accured Expenses	100 121	77 444
Dues Salaries	29 980	2 177
Other Creditors	39 790	61 067
Reported contributions (*)	506 326	232 447
Withholding tax CSS	7 926	181
Withhorlding tax Salaires	181	7 926
Total	**842 329**	**626 840**

(*) Reported contributions detailed as follows:

Project	Reported contributions
DRC DAPP	389 304
DAPP	45 224
EOF	53 715
INNOVATECH	18 083
Total	**506 326**

2-2.3 *Suppliers:*

This account totaled 355 927 TND as at 31/12/2025 detailed as follows:

	2025	2024
Suppliers – purchases of goods/services	312 645	189 280
Suppliers – invoices not issued	-	5 529
Total	**312 645**	**194 808**

2-3 Net Assets

The difference between income and expenditure for the year 2025 resulted in a deficit of <36 932> TND. The net assets present a balance of <60 461> TND as of December 31, 2025, compared to a balance of <23 529> TND as of December 31, 2024.

	Allocation	Contributions allocated to fixed assets	Investments Grants	Other net assets	Reserve	Accounting changes	Surplus deferred	Surplus or deficit of the year	Total
Balance as of December 31, 2024	-	-	-	-	-	**(627 919)**	**837 170**	**(232 780)**	**(23 529)**
Allocation of 2024 deficit	-	-	-	-	-	-	**(232 780)**	**232 780**	**-**
Deficit for the year 2025	-	-	-	-	-	-	-	**(36 932)**	**(36 932)**
Balance as of December 31, 2025	-	-	-	-	-	**(627 919)**	**604 390**	**(36 932)**	**(60 461)**

NOTE 3- INFORMATIONS AS REGARDS THE INCOME STATEMENT

3-1 Operating Income

3-1.1 Grants

	2025	2024
Subsidy NEAAC Rebuilding roots	-	97 626
Subsidy GIZ	-	78 385
Subsidy CITI	-	54 903
Subsidy NEAAC ST-CAL	119 135	146 512
Subsidy HIVOS	167 600	117 910
Subsidy JOBS	63 030	-
Subsidy FAST	19 351	314 488
Subsidy DAPP	518 353	661 761
Subsidy INNOVI	14 461	132 435
Subsidy MCKINSEY	-	204 950
Subsidy DRC DAPP	486 541	-
Subsidy INNOVATECH	362 490	-
Subsidy EFE Tunisia	-	563
Deferred Contributions	<201 659>	<374 926>
Total	**1 549 302**	**1 434 607**

3.2 Expenses

3-2.1 Operating Expenses :

		2025	2024
Purchases of consumed supplies	***3.2.1.1***	106 381	367 154
Staff Expenses	***3.2.1.2***	791 396	752 906
Depreciation & provision Allowances	***3.2.1.3***	202 322	172 082
Other operating expenses	***3.2.1.4***	664 061	1 005 629
Total		**1 764 161**	**2 297 770**

3-2.1.1 Purchases of consumed supplies :

	2025	2024
Purchase of studies and services	85 335	183 850
Purchase not in inventory supplies	4 056	20 207
Water	122	134
Pharmaceutical Product	-	689
Office supplies	9 160	150 553
Electricity	7 709	11 701
Other purchases	-	19
Total	**106 381**	**625 223**

3-2.1.2 Staff Expenses :

	2025	2024
Salaries	674 280	652 261
Paid vacations	3 301	<7 276>
Social Contributions	111 209	105 376
Workmen’s compensation	2 606	2 544
Total	**791 396**	**752 906**

3-2.1.3 Depreciations and provisions :

	2025	2024
Depreciations expense for fixed assets	24 175	34 821
Provisions for depreciation of asset accounts	190 558	144 809
Provisions for risks and charges	<12 411>	<7 548>
Total	**202 322**	**172 082**

3-2.1.4 Other Operating Expenses :

	2025	2024
Fees and training Expenses	281 835	463 403
Receptions	70 400	94 344
Travels	41 171	47 577
Rent Head office	122 880	132 544
insurance	30 312	51 736
Communication charges	23 912	75 487
Adverts/Events	12 061	54 177
Various rents	4 681	1 465
Cars rentals	13 103	17 792
FOPROLOS	7 140	6 913
Bank fees	4 052	5 351
Repairs and maintenance	16 704	12 162
Taxi charges	1 780	575
Others	34 030	42 106
Total	**664 061**	**1 005 629**

NOTE 4- INFORMATIONS AS REGERDS CASH FLOW STATMENT

The cash flow statement gave rise to a positive variance of 238 328 TND au 31 December 2025 detailed as follows:

- ✓ Cash-flow from operating activities for 230 538 TND.
- ✓ Cash-flow from investing activities for 7 791 TND.

	2024	2024
Cash and cash equivalents	846 534	608 320
Bank overdrafts	<85>	<200>
Total	**846 449**	**608 120**

NOTE 5- NOTE ON EVENTS AND MANIFESTATIONS ORGANIZED

	Event 1: • DAPP DCC - Green transition forum	Event 2: MENA YES Jordanie	Event 3: DAPP DCC- atelier de co-creation de procedure avec l'IRA Medenine
Reciepts			
*Taxes	-	-	-
*Sponsoring/Grant	17 368 TND	6 066 TND	3 995 TND
*Sales	-	-	-
Total Reciepts	17 368 TND	6 066 TND	3 995 TND
Expenses	Event 1: • DAPP DCC - Green transition forum	Event 2: MENA YES Jordanie	Event 3: DAPP DCC- atelier de co-creation de politique
COMMUNICATION	1 132 TND		239 TND
TRANSPORTATION/ FLIGHTS TUNIS-Jordan		5 713 TND	
TRANSPORTATION LOCAL FLIGHTS / LOCAL TRAVEL EXPENSES		353 TND	
TRANSPORTATION FEES/TRAVEL STAMP	4 858 TND		763 TND
CONFERANCE ALTERNANCE	1 191 TND		
MODERATOR	3 572 TND		
Room RENTAL/Materials	429 TND		
REFRESHMENT	3 000 TND		2 993 TND
Hotel	331 TND		
Gifts Welcome pack	2 856 TND		
Total expenses	17 368 TND	6 066 TND	3 995 TND
Surplus / Deficit	-	-	-

NOTE 6- NOTE ON THE BUDGET

Project	Budget 2026	Budget 2025	Actual 2025	Gaps 2025	Explications
DAPP -YIEP with DCC (Active in 2026)	638 000 TND	679 116 TND	678 073 TND	1 043 TND	The Danish Arab Partnership Program (DAPP) started in June 2023 and is expected to end in the first quarter of 2027.
INNOVATECH Tic & Green (Active in 2026)	538 956 TND	364 991 TND	367 396 TND	-2 404 TND	The program “Support for Training and Employment of Tunisian Youth” – AID 012833, implemented with Centro Informazione e Educazione allo Sviluppo (CIES) as the consortium lead, the international NGO COOPI – Cooperazione Internazionale, and Education for Employment (EFE-Tunisia) as the implementation partner, has a duration of 24 months from February 1, 2025 to January 31, 2027, with a total budget of EUR 220,000.
Hivos CFJT (Completed in 2025)	0 TND	717 750 TND	237 965 TND	479 785 TND	The Hivos CFJT “Challenge Fund for a Just Transition” started in March 2025 and was expected to end in December 2025; however, the project was closed with an effective date of July 2025.
Education Outcomes Fund- EOF (Active in 2025)	849 156 TND	234 393 TND	166 324 TND	68 069 TND	The Education Outcomes Fund – EOF (Employment Outcomes Fund in Tunisia) started in May 2025 and is planned for a duration of three years.
NEAAC- Rebuilding Roots & Climate action Lab Projects (Completed in 2025)	0 TND	161 722 TND	30 725 TND	130 997 TND	The NEAAC projects – Rebuilding Roots & Climate Action Lab – started in September 2024 and were halted by a “Stop Work Order” issued by the United States government in January 2025.
DAPP -YIEP with DRC (Active in 2026)	682 170 TND	163 308 TND	99 170 TND	64 138 TND	The Danish Arab Partnership Program (DAPP) started in June 2023 and is expected to end in the first quarter of 2027. The project contract with DRC (Danish Refugee Council) began in September 2025.
CITI Ajyal (Active in 2026)	72 799 TND	3 000 TND	1 642 TND	1 358 TND	The Citi Ajyal project contract, signed with EFE Global (US) and funded by the Citi Foundation, covers a two-year period from November 1, 2025 to October 31, 2027, with a total budget of USD 55,072.
SPARK - GREENFORWARD	198 000 TND	0 TND	0 TND	0 TND	A project proposal entitled “GreenForward” has been submitted to the donor Spark, with a total budget of EUR 60,000, covering the period from June to December 2026.

ANNEXE

Table of intangible and tangible assets and amortization at 31/12/2025

	Gross Values				Amortizations				Net Values
DESIGNATION	**31/12/2024**	**ACQUISITIONS**	**Disposals**	**31/12/2025**	**31/12/2024**	**DOTATION**	**Derecognition of accumulated depreciation**	**31/12/2025**	**31/12/2025**
Intangible Fixed Assets									
Software	100 682	-		100 682	100 682	-		100 682	-
Website EFE	7 420	-		7 420	7 420	-		7 420	-
Total Intangible Fixed Assets	**108 102**	**-**		**108 102**	**108 102**	**-**		**108 102**	**-**
Tangible Fixed Assets									
Computer Equipments	254 407	8 904	25 310	238 001	217 671	14 061	25 217	206 516	31 485
Office Equipements	73 334	7 755	24 939	56 151	58 155	6 143	19 197	45 103	11 047
Fittings, Design and Installations & functions facilities	43 584	735	10 732	33 587	23 999	3 970	4 826	23 143	10 445
Phone Equipments	8 772	-	8 472	301	8 772	-	8 472	301	-
Total Tangible Fixed Assets	**380 099**	**17 394**	**69 453**	**328 040**	**308 597**	**24 174**	**57 712**	**275 063**	**52 977**
TOTAL	**488 201**	**17 394**	**69 453**	**436 141**	**416 698**	**24 174**	**57 712**	**383 164**	**52 977**