Information note 23 July 2025

ADEC INNOVATIONS NV

ADEC Innovations NV, a limited company registered in the Netherlands, hereafter referred as "ADEC NV", the "Company" or the "Issuer"
Company number: 92643337
Registered Office: Saturnusstraat 95, 2516 AG The Hague

Information Note related to the admission to trading on Euronext Access operated by Euronext Brussels of 200,100 shares, representing the total issued shares by ADEC Innovations NV

The present document was prepared by ADEC Innovations.

THIS DOCUMENT IS NOT A PROSPECTUS AND HAS NOT BEEN VERIFIED OR APPROVED BY THE FINANCIAL SERVICES AND MARKETS AUTHORITY (FSMA).

Publication date: 23 July 2025

WARNING

INVESTORS RUN THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT AND/OR NOT OBTAINING THE EXPECTED RETURN.

THE RULES AND REGULATIONS THAT APPLY TO COMPANIES LISTED ON THE MTF EURONEXT ACCESS ARE LESS SEVERE THAN THOSE THAT APPLY TO A REGULATED MARKET (SUCH AS EURONEXT BRUSSELS), IN THIS RESPECT ADEC INNOVATIONS NV HAS NOTABLY NO OBLIGATION TO PUBLISH PERIODIC INFORMATION SUCH AS AN ANNUAL REPORT AND A HALF-YEARLY REPORT.

PLEASE ALSO REFER TO THE ARTICLES OF ASSOCIATION OF ADEC INNOVATIONS NV, WHICH ARE AVAILABLE ON THE WEBSITE WWW.ADECINNOVATIONSNV.COM

This information note is available on the website www.adec-innovationsnv.com and at the registered office of ADEC Innovations NV at Saturnusstraat 95, 2516 AG, The Hague, Netherlands. A printed copy can also be requested by email at inquiries@adec-innovationsnv.com. This Information Note is only available in English.

PART I. MAIN RISKS RELATED TO THE ISSUER AND TO THE INVESTMENT INSTRUMENTS, SPECIFIC TO THIS ADMISSION TO TRADING

The risks and uncertainties that, in the Company's judgment, are considered material are described below. The order in which these risks and uncertainties are presented based on their presumed level of importance or significance but in no way reflects the probability of such risk to materialise.

When referring to risks for the “ADEC NV Group” in this risk description, this should be understood as risks affecting the Company as a whole or part of it, including its fully owned US subsidiary FCS International Inc, as these are managed to the best of its ability on an ongoing basis.

Investors should carefully consider the following risk factors, as well as the other information contained in this Information Note, before making an investment decision and consult qualified (financial or legal) advisors if needed. This Information Note does not contain investment advice or a recommendation to buy, sell, or hold shares in the Company.

Risks relating to the Company and its activities

Regulatory risks
The ADEC NV Group provides specialized services in environmental risk, compliance & assurance and sustainability & environmental, social & governance (“ESG”) assessment & disclosure and strategy & implementation. It assists public entities, businesses, and non-governmental organizations in meeting regulatory requirements, managing environmental impact, and integrating sustainability & ESG principles into their operations through expert consulting, business process & data management, and software services. As a result, the ADEC NV Group operates in a highly regulated environment, where its activities and the projects it supports must comply with evolving legal, regulatory, and environmental requirements., such as California Environmental Quality Act (CEQA) in the United States. Non-compliance with said regulations may result in regulatory sanctions such as fines, penalties, and removal of accreditations in relevant jurisdictions we operate in. The ADEC NV Group operates globally but currently caters largely in the United States where 97% of the clients are based. The ADEC NV Group must continuously maintain the necessary accreditations and certifications to operate effectively. Future changes in regulations or compliance standards, as well as potential challenges in retaining or obtaining required certifications, could lead to increased costs and operational adjustments, which may impact the ADEC NV Group’s activities, financial position, or results.

The ADEC NV Group maintains a dedicated compliance team that actively monitors current and impending regulations across all jurisdictions where it operates, with special attention to California's evolving environmental framework. This proactive approach includes regular regulatory reviews, engagement with industry associations, and implementation of adaptive compliance protocols to ensure the ADEC NV Group remains ahead of regulatory changes that may impact its operations or create new business opportunities. These proactive compliance initiatives include accreditation of technical licenses and designations, such as the California Department of Fish and Wildlife Designated Biologist designation and regular continuing legal education webinars to better understand any changes in relevant law that may impact the operations of the Group.

Risks related to key personnel
The ADEC NV Group’s ability to execute projects and secure new contracts largely depends on its capacity to attract, retain, and motivate key employees, including senior management, highly skilled technical experts, project leaders, and other specialized personnel. Currently, ADEC NV Group has 210 employees, and the Company is highly dependent on the professional and technical staff for the delivery of services, hence staff retention and talent acquisition are important. While employee turnover at ADEC NV Group currently does not have a material negative impact, the ADEC NV Group recognizes the strong competition for technical professionals with the expertise required to deliver its services.

This competition is expected to persist or even intensify over time, particularly due to an aging workforce and a growing demand for Sustainability & ESG and environmental compliance expertise. If the ADEC NV Group fails to attract new technical talent or retain and motivate its existing workforce, it may struggle to win new projects, maintain certain accreditations and maintain the high-quality service standards expected by its clients.

Furthermore, any difficulty in hiring or retaining qualified personnel may force the ADEC NV Group to rely more heavily on subcontractors, which could impact its profit margins. These factors could have a significant adverse effect on the ADEC NV Group’s operations, financial position, or overall results.

The ADEC NV Group mitigates personnel-related risks through comprehensive retention strategies and professional development systems designed to preserve institutional expertise and recruit new personnel. Additionally, the ADEC NV Group maintains strategic recruitment initiatives and competitive compensation packages to ensure continuity of operations amid industry-wide competition for specialized environmental talent.

Risks related to dependence on government support and public sector clients
Public and semi-public sector clients account for approximately 22% of the 2024 ADEC NV Group's annual revenue. Many of the projects in which the ADEC NV Group is involved are partially funded – primarily in the United States - through government grants, subsidies, investment allowances, or similar financial support provided to clients. A reduction or discontinuation of such government support could prompt clients to postpone or cancel these projects, potentially leading to a negative impact on the ADEC NV Group's activities, financial position, or results.

Additionally, the ADEC NV Group is reliant on the policies and budgetary decisions of its public and semi-public sector clients. Public expenditures are subject to political and economic considerations, and any budget cuts or changes in government priorities could result in reduced spending by these clients. This, in turn, could adversely affect the ADEC NV Group's activities, financial position, or results.

A substantial portion of the ADEC NV Group's revenue is generated in the State of California (United States). Any changes in Californian state policies, budget allocations, or regulatory frameworks could impact the ADEC NV Group's revenue stream. Furthermore, public sector clients in the countries where the ADEC NV Group operates may decide to modify certain programs, policy positions, or procurement methods in the future. Such changes could also lead to project cancellations or delays, thereby affecting the ADEC NV Group's financial performance.

The ADEC NV Group actively mitigates risks associated with public sector dependence through strategic diversification of its client portfolio across multiple government entities, jurisdictions, and private sector industries.

Risks related to the project portfolio
The ADEC NV Group's growth and continued value enhancement depend on its current portfolio of completed and operational projects, as well as the profitability of future projects. Any delays, unforeseen difficulties in executing the project portfolio, or early termination or cancellation of long-term projects may result in additional costs or price reductions, negatively impacting the profitability of the affected projects.

Additionally, on average, from 2020 through 2024, 21% of the ADEC NV Group's revenue is generated on an ad hoc basis, meaning that it must continuously invest in acquiring new assignments and projects. Based on revenue from 2022-2024, 23% of the Group's contracts were considered short-term (4-5 months), 35% were medium-term (6-12 months), 5% were long-term (within 1 year), and 37% were multi-year. The ADEC NV Group may not always be able to secure new projects at profitable prices. Furthermore, projects are exposed to risks of delays, modifications, or even cancellations, which could result in lower revenue and profitability than initially anticipated.
The ADEC NV Group mitigates project portfolio risks through diversification across sectors, geographies, and contract types, supported by rigorous opportunity assessment and project management protocols. Additionally, the Company maintains strategic reserves and operational flexibility to absorb potential project delays or cancellations while continuously investing in business development to replenish the project pipeline and reduce reliance on any single revenue stream.

Risks related to the performance of third parties
The ADEC NV Group partially relies on third parties such as subcontractors and business partners to carry out its work. Subcontractors are used if they provide a service that is not currently provided internally or there is a capacity deficit. If the ADEC NV Group is unable to find subcontractors or business partners at a reasonable cost, or if the actual expenses exceed initial estimates, its ability to complete projects on time or profitably may be weakened.

Furthermore, if a subcontractor or business partner, for any reason—including financial deterioration—is unable to provide services under the agreed terms, the ADEC NV Group may be required to source these services elsewhere at a higher price. Additionally, a subcontractor or business partner could cause damages for which the ADEC NV Group may be held liable. This could have a significant impact on the ADEC NV Group's operations, financial position, or results.

The ADEC NV Group mitigates third-party risks through various selection criteria, contracts with protective clauses, and continuous monitoring of vendor deliverables against established quality standards. Additionally, the ADEC NV Group maintains a diversified network of qualified partners and documented transition protocols to ensure business continuity in the event of third-party non-performance or relationship termination.

Risks related to IT Systems
The ADEC NV Group's ability to provide services to its clients depends on the efficient and uninterrupted operation of its IT systems and the performance of its IT service providers. The ADEC NV Group's IT infrastructure is vulnerable to disruptions or damage caused by cyberattacks, system failures, natural disasters (such as floods or fires), power outages, data line failures, and human errors. Additionally, the ADEC NV Group's IT systems could be compromised by sabotage, vandalism, or other malicious activities.

Any failure, data loss, or prolonged IT system downtime could severely disrupt the company's operations, negatively affecting its ability to manage projects, maintain client communications, and ensure regulatory compliance. Such incidents could have a material adverse effect on the ADEC NV Group's business activities, financial position, and overall results.

The ADEC NV Group mitigates IT systems risks through implementation of comprehensive information security protocols, redundant infrastructure, and regular testing of disaster recovery capabilities across all business-critical applications and data repositories. Additionally, FCS International, Inc., the Group's U.S. subsidiary, maintains ISO 27001 certification, demonstrating adherence to international standards for information security management, while the Group continues to invest in technological upgrades, conduct periodic security assessments, and provide ongoing cybersecurity awareness training to personnel.

Risks related to the retention of accreditations
FCS International Inc, the fully owned US subsidiary of the Company, has obtained numerous accreditations to carry out and support its activities in the United States and globally. Certifications and accreditations include the certification as an Ecovadis training partner and the recognition as a member of the California Green Business Association. Evolving regulations and new requirements related to these accreditations could result in the ADEC NV Group temporarily falling out of compliance. Some accreditations are directly linked to specific employees (for example a member of the technical staff is recognized as Designated Biologists under the California Department of Fish and Wildlife) making their continued employment crucial for maintaining these accreditations. Additionally, human error could lead to modifications in accreditation status. The loss, suspension, or failure to renew accreditations in a timely manner may have a negative impact on the ADEC NV Group's revenue and profitability.

The ADEC NV Group mitigates accreditation risks through comprehensive tracking systems, structured compliance reviews, and redundancy in qualified personnel to support credential maintenance. Additionally, the ADEC NV Group invests in ongoing staff development to meet evolving accreditation requirements and maintains relationships with regulatory bodies to stay informed of upcoming changes to certification standards.

Risks related to cash flow and treasury management
The ADEC NV Group is exposed to cash flow risks arising from delayed payments by public and semi-public sector clients, who represent a significant portion (approximately 22%) of its revenue base. Government entities and public institutions often operate with extended payment cycles, which can result in substantial delays between the delivery of services and the receipt of payments. This structural delay in cash inflow may constrain the ADEC NV Group's working capital and require reliance on short-term financing solutions. Additionally, the ADEC NV Group's revenue generation is subject to seasonal fluctuations, with a concentration of revenues typically occurring in the third and fourth quarters of the year. This seasonality, combined with delayed payments, may lead to periods of increased pressure on liquidity, particularly in the first half of the year. If not effectively managed, such cash flow challenges could impact the ADEC NV Group's ability to meet its operational obligations, fund growth initiatives, or absorb unexpected costs.

Moreover, the treasury of the ADEC NV Group may be jeopardized in case of clients default or litigation. In this respect, it is referred to the lawsuit mentioned in the appended FCS International, Inc. Audited Financial Statements December 31, 2024 against a former client for breach of contract, seeking $902,000 in damages related to unpaid invoices for services rendered between January and May 2024, as well as attorneys' fees.

The ADEC NV Group mitigates cash flow and treasury risks through implementation of proactive billing practices, structured payment terms, and dedicated resources for accounts receivable management focused on governmental and other extended payment clients. Additionally, the ADEC NV Group maintains cash reserves calibrated to address seasonal revenue fluctuations, employs sophisticated forecasting methods to anticipate liquidity needs, and strategically staggers project timelines and resource allocations to balance cash outflows with expected payment cycles.

Risks relating to the market, the global environment and the admission to trading on Euronext Access of the shares

Risks related to competition and reputation
The market in which the ADEC NV Group operates—covering environmental risk, compliance & assurance and sustainability & ESG solutions—is highly competitive. It consists of numerous specialized firms focusing on niche services, as well as large multinational enterprises that dominate major projects. While the ADEC NV Group has established a strong global presence, it competes for some of the same projects as these larger players.

Furthermore, ongoing industry consolidation may introduce new, larger competitors. Although the ADEC NV Group continuously invests in strengthening its competitive position, there is no guarantee that it will be able to fully mitigate the impact of increasing competition. This could potentially affect the ADEC NV Group's activities, financial position, or results.

Finally, any incident, allegation, or negative publicity affecting the ADEC NV Group’s environmental or sustainability performance, data integrity, or compliance with ESG standards could materially harm its reputation and, consequently, its ability to retain clients, attract new business, or secure future projects.

The ADEC NV Group mitigates competitive and reputational risks through continuous investment in technical expertise, proprietary methodologies, and specialized service offerings that differentiate it within the environmental consulting marketplace. Additionally, the ADEC NV Group implements comprehensive quality assurance protocols, maintains transparent client communication practices, and actively manages its public profile through thought leadership, industry engagement, and strategic communication initiatives aimed at reinforcing its reputation for excellence and technical authority.

Risks related to the emergence of Artificial Intelligence (AI) and automation
The rapid advancement and adoption of Artificial Intelligence (AI) technologies may pose a risk to the ADEC NV Group’s business model and revenue streams. AI systems are increasingly capable of automating tasks traditionally performed by consulting firms, including data collection, analysis, and report generation—key components of the ADEC NV Group’s service offering in environmental risk, compliance & assurance and sustainability & ESG consulting.

Specifically, the development of advanced AI algorithms and machine learning models capable of processing large volumes of sustainability & ESG data, performing complex environmental impact assessments, and generating regulatory compliance reports could reduce the demand for the ADEC NV Group's consulting services. As AI tools become more sophisticated, clients may opt for automated solutions, potentially bypassing the need for traditional consulting engagements.

Additionally, AI-driven platforms are evolving to provide real-time sustainability & ESG data analytics and predictive modeling, offering clients enhanced decision-making capabilities. These platforms could directly compete with the ADEC NV Group’s proprietary solutions such as CleanChain, FoodChain, and Property Risk Map, potentially reducing the market relevance of these platforms and impacting the ADEC NV Group's competitive advantage.

Moreover, as AI becomes more integrated into regulatory compliance frameworks, government and public sector clients—on whom the ADEC NV Group is heavily dependent—may adopt AI-based compliance systems. This could result in a decline in demand for traditional compliance consulting and reporting services provided by the ADEC NV Group.
The ADEC NV Group’s ability to maintain its market position will depend on its capacity to adapt to these technological advancements by investing in AI-driven solutions, enhancing its existing platforms, and developing new service models that leverage AI capabilities. Failure to do so could result in a loss of market share, reduced revenue, and a negative impact on the ADEC NV Group’s financial performance.

The ADEC NV Group mitigates AI and automation risks through strategic investment in proprietary data analytics capabilities, integration of AI-enhanced tools within its existing service offerings, and ongoing research to identify emerging technological applications relevant to environmental consulting. Additionally, the ADEC NV Group focuses on developing high-value advisory services that complement rather than compete with automated solutions, continuously upskills its workforce to leverage new technologies, and maintains partnerships with technology providers to ensure the ADEC NV Group remains at the forefront of digital innovation in the environmental sector.

Risks related to economic conditions, inflation, and dependence on the U.S. real estate market
The ADEC NV Group is significantly exposed to macroeconomic fluctuations, particularly in the United States, where it generates 97% of its revenue through the fully owned US subsidiary FCS International Inc. The current economic environment, characterized by high interest rates, changing U.S. policies on trade tariffs, inflationary pressures, and tighter government budgets, may lead—to the postponement, reduction, or cancellation of projects by clients. The ADEC NV Group’s services, which are closely tied to infrastructure, environmental compliance, and sustainability & ESG initiatives, are particularly vulnerable to shifts in economic cycles. In periods of economic uncertainty, businesses and public institutions may prioritize cost-cutting measures, thereby delaying investments in projects.

The U.S. real estate market significantly influences the ADEC NV Group’s revenue stream, particularly in the areas of environmental risk, compliance, & assurance and sustainability & ESG consulting. Economic slowdowns, rising interest rates, or downturns in the real estate sector could lead to decreased demand for these services, impacting the ADEC NV Group’s growth prospects and profitability.

Furthermore, the ongoing tightening of credit markets could hinder the ADEC NV Group’s clients from securing funding for their projects. In particular, the U.S. real estate sector is highly sensitive to borrowing costs, and any continued increase in interest rates could result in delayed or scaled-down development projects. Additionally, governmental budget constraints and shifting priorities in environmental and infrastructure spending may limit the availability of grants and subsidies for sustainability initiatives, reducing demand for the ADEC NV Group's services.

Simultaneously, the ADEC NV Group faces persistent inflationary pressures across labor, energy, and operational costs in the U.S. and other markets where it operates. Wage inflation, driven by a competitive labor market, may substantially increase personnel expenses, which form a major component of the ADEC NV Group's cost structure. While some industries can easily pass rising costs onto customers, the ADEC NV Group’s ability to do so may be limited by contractual agreements and competitive pricing pressures.

Inflation has also led to higher costs for outsourced services and technical expertise, increasing operational expenses. In price-sensitive markets, the ADEC NV Group may face challenges in fully transferring these cost increases to clients, potentially leading to margin compression. Moreover, high interest rates maintained by the Federal Reserve impact the ADEC NV Group's own borrowing costs and clients’ investment decisions. If financing remains expensive, clients may delay or downsize their development, mitigation & compliance and sustainability & ESG projects, directly impacting the ADEC NV Group’s revenue pipeline.

While the ADEC NV Group’s costs, such as personnel expenses, remain largely fixed, demand for its services can fluctuate with market conditions. If the ADEC NV Group is unable to diversify its client base, secure long-term contracts, or efficiently manage its cost structure, economic downturns could adversely impact its profitability and financial stability. Structural cost adjustments, including workforce reductions or contract renegotiations, may incur additional expenses, such as severance payments or penalties for early contract terminations.

Given these economic challenges, the ADEC NV Group’s resilience will depend on its ability to adapt to changing market dynamics by implementing cost-control measures, optimizing pricing strategies, and closely monitoring client payment behaviors to mitigate financial risks.

The ADEC NV Group mitigates economic and market dependency risks through strategic diversification of service offerings across multiple sectors beyond real estate, including industrial, infrastructure, and public works projects that operate on different economic cycles. Additionally, the Group employs adaptive pricing strategies to address inflationary pressures, maintains operational flexibility to adjust resource allocation during market fluctuations, and continuously expands its geographic presence to reduce overreliance on any single regional economy or market segment.

Risks related to conflicts of interest and governance

The shareholders of the Company, James Donovan, Carol Esguerra, and Jose Renato Badelles (jointly referred to as the “Shareholders”), collectively hold 100% of the issued capital as of the date of the admission of the Company’s shares to trading on Euronext Access Brussels.

They also jointly control, either directly or indirectly, legal entities within the ADEC Innovations Group (see Section II.A.2) that engage in related party transactions with FCS International Inc., the wholly owned U.S. subsidiary of the Company (see Section II.A.4).

Consequently, the Shareholders may, through their management responsibilities, participation on the Board of Directors, and the exercise of their voting rights at shareholders' meetings, find themselves significantly exposed to conflicts of interest in decisions they are legally entitled to make at both the Company level and within other legal entities of the ADEC Innovations Group that have, or may have, related party transactions with the Company.

The aforementioned conflicts of interest may pertain to several decisions, particularly regarding the payment terms and conditions of significant debts owed by the Company to related parties, including notably an account payable of USD 4,383,594 to ADEC Innovation Ltd., incorporated in Bermuda.

While the Shareholders are aware of their potentially conflicted position and are committed to adhering to the relevant procedures outlined in applicable corporate law and Corporate Governance principles and to otherwise comply with any applicable market abuse regulations, they may still make discretionary decisions that do not always align with the best interests of the Company and, consequently, the investors in the Company’s shares. This risk is reinforced by the fact that the Company is not submitted to the Corporate Governance principles and rules governing companies listed on regulated market since most of them are not mandatory for companies listed on Euronext Access.

Risks related to the volatility, the Euronext Access market and the liquidity

The price at which the Company's shares will be traded and the price investors can realise for their shares will be influenced by a large number of factors, including the performance of the Company, and also specific offer and demand on the trading order book and general economic circumstances.

The Company has requested to admit the shares to trading on Euronext Access, a market which is predominantly suited for emerging or smaller companies associated with a higher investment risk than larger or more established companies. Euronext

Access is a multilateral trading facility and not a regulated market. The rules and regulations applicable to companies listed on Euronext Access are less severe than those applicable to a regulated market such as Euronext Brussels. For example, companies listed on Euronext Access have less information obligation towards investors, they have no obligation to publish annual reports or half-year reports, many of the corporate governance rules do not apply and the shareholders have limited obligation regarding transparency of their participation in the companies listed on these markets. Moreover, the regulations aiming to protect minority shareholders in case of change of control are less strict on Euronext Access, the threshold to trigger a mandatory takeover bid is set at 50% on Euronext Access whereas it is at 30% on the regulated markets. Investing in securities traded on Euronext Access, such as the Company's shares, is therefore likely to be associated with a higher risk than an investment in shares which are listed on a regulated market.

Furthermore, the admission of the shares to trading on Euronext Access does not guarantee the development or maintenance of an active trading market. Given the Company's ownership structure and considering that the admission of the shares to trading on Euronext Access is not linked to any private placement or offering of shares in Belgium or any other EU Member State (nor in the U.S.), the liquidity of its shares may be limited, making it difficult to predict whether sufficient investor interest will lead to an active secondary market. If a liquid market does not develop, the share price could experience increased volatility, and investors may find it more difficult to buy or sell shares in the order book.

PART II – INFORMATION ABOUT THE ISSUER AND THE PROVIDER OF THE INVESTMENT INSTRUMENTS

II.A. Identity of the Issuer

II.A.1. Issuer

Registered Office: Saturnusstraat 95, 2516 AG, The Hague

Legal form: *Naamloze Vennootschap* (NV), a limited liability company under Dutch Law

Company number : 92643337

Country of incorporation: The Netherlands

Website: www.adec-innovationsnv.com

II.A.2. Issuer Activities

The ADEC Innovations Group ("ADEC Innovations Group"), is a group of companies, which includes ADEC NV Group, that was co-founded in the Philippines in 1996 by James Donovan (Cofounder and Global CEO) and Carolina Esguerra (Cofounder and Global CFO).

The ADEC Innovations Group operates under a unified ownership and governance structure. These companies are not grouped under a common top holding company but share nevertheless the same shareholders and/or ultimate beneficial owners, ensuring an aligned strategic direction and cohesive corporate interests. They are also managed and controlled by the same executive leadership team and/or board of directors, providing consistent oversight, streamlined decision-making, and unified execution across the group. All companies operate under the common brand of ADEC Innovations, leveraging the strength and global recognition of a 30-year legacy in the sustainability and data management industries.

The ADEC Innovations Group was able to initiate its activities thanks to a team of executives that notably included Jose Renato Badelles who is one of the shareholder of the Issuer. He has been involved in the governance and leadership of the organization as of its early days as a pioneering Philippine business. Over nearly three decades, the ADEC Innovations Group has expanded its presence across six continents, serving more than 10,000 clients with a workforce of 4,000 employees worldwide.

ADEC Innovations NV, the Company, was incorporated in the Netherlands on 15 January 2024 as a holding company without operational activity. On 16 July 2025, as part of the Pre-Listing Restructuring, the Company acquired 100% of the shares of the U.S.-based company FCS International, Inc., incorporated on 17 November 1982 (under the name Michael Brandman Associates) and headquartered in Irvine, California, which is part of the ADEC Innovations Group. By combining in-depth consulting expertise with business process & data management, and proprietary software & technology solutions, FCS International, Inc. allows the Company to provide advanced environmental risk, compliance & assurance and sustainability & ESG solutions, ensuring that clients navigate complex regulatory landscapes while optimizing their sustainability & ESG performance. The acquisition of FCS International, Inc. was undertaken to provide the Company with the necessary skills and expertise to lead its European expansion in the sustainability & ESG sector.

In 2024, FCS International, Inc. generated revenues of $ 16,648,785 with an EBITDA of $ 636,006. Following this acquisition, the ADEC NV Group operates with a workforce of 210 employees across 12 operating sites and 14 sales offices, in 14 countries (USA, Canada, Kenya, South-Africa, Australia, The Philippines, Singapore, China (Hong-Kong), Switzerland, Turkey, the United Kingdom, Ireland, Spain, The Netherlands) spanning 5 continents. The geographical split of revenues in 2024 among the ADEC NV Group's clients was as follows:

- U.S. clients: 97%
- EU clients: 2%
- Other regions: 1%

The acquisition of FCS International, Inc, by the Company aims notably to further develop the share of EU clients in ADEC NV Group's revenues.

The ADEC NV Group operates through three strategic practices, addressing the evolving sustainability & ESG challenges faced by its clients:

1. Development, Mitigation & Compliance: 75% of 2024 revenues ($12,484,112)
2. ESG Assessment & Disclosure - ESG Strategy & Implementation : 22% of 2024 revenues ($3,699,914)
3. Research & Development services: 3% of 2024 revenues ($464,759)

These practices cater to corporations, public sector entities, industry coalitions, non-governmental organizations, and intergovernmental organizations, enabling them to comply with regulatory expectations and enhance their sustainability performance.

1. *Activity description*

Development, Mitigation & Compliance
The ADEC NV Group provides an integrated approach to environmental compliance, risk management, and sustainability planning, assisting clients in navigating regulatory frameworks. Through a combination of technical expertise and regulatory insight, the ADEC NV Group supports businesses in responsible development, mitigating environmental risks, and achieving long-term sustainability objectives.

Its service offering encompasses comprehensive environmental services, program management, and construction monitoring, including environmental impact assessments, regulatory compliance planning, and permitting processes, ensuring seamless project execution while adhering to local, state, federal, and international regulations. The ADEC NV Group conducts detailed air quality and greenhouse gas (GHG) emissions analyses, supporting clients in developing robust mitigation strategies. Additionally, it specializes in noise and vibration management, offering predictive modelling, impact assessments, and mitigation strategies tailored to infrastructure and industrial projects.

The ADEC NV Group also contributes to natural resource and biodiversity management, providing solutions for habitat conservation, ecosystem restoration, and regulatory compliance in protected areas. Its expertise extends to land use & development planning, guiding clients through the complexities of zoning laws, urban expansion strategies, and environmental land assessments.

Sustainability & ESG Assessment / Disclosure
In line with heightened scrutiny and continually evolving regulations for Sustainability & ESG disclosures, the ADEC NV Group assists organizations in capturing, managing, and reporting sustainability data with precision and transparency. The ADEC NV Group's Sustainability & ESG assessment services enable businesses to measure their environmental and social impact while ensuring compliance with evolving global standards.

Using Sustainability & ESG data analytics and benchmarking tools combined with technical expertise, the ADEC NV Group helps clients assess their sustainability performance relative to industry peers. The ADEC NV Group provides tailored reporting solutions, producing sustainability disclosures aligned with the Corporate Sustainability Reporting Directive (CSRD), the Sustainable Finance Disclosure Regulation (SFDR), the Global Reporting Initiative (GRI), the Carbon Disclosure Project (CDP), EcoVadis, and other international regulatory frameworks, ensuring that clients meet investor and stakeholder expectations.

Additionally, the ADEC NV Group supports clients in third-party Sustainability & ESG verification and audits, enhancing their credibility in sustainability reporting. By conducting comprehensive gap analyses and Sustainability & ESG data validation, the ADEC NV Group enables businesses to refine their corporate Sustainability & ESG strategies, improve their reporting accuracy, and strengthen their positioning within the global sustainability landscape.

Sustainability & ESG Strategy & Implementation
Beyond compliance and reporting, the ADEC NV Group partners with clients to integrate Sustainability & ESG principles into their corporate strategy, driving meaningful and measurable improvements in sustainability performance. Generally, the length of time of ESG contracts is less than one-year, but can extend to multi-year engagements depending on the scope of work. The ADEC NV Group's strategic advisory services help organizations embed Sustainability & ESG considerations into their core business operations with a purpose to foster long-term resilience and value creation across departments and the organization.

The ADEC NV Group provides corporate Sustainability & ESG strategy development, conducting materiality assessments to identify sustainability risks and opportunities. The ADEC NV Group assists in stakeholder and supply chain Sustainability & ESG engagement, ensuring that sustainability initiatives extend across business ecosystems. Additionally, it offers specialized risk and resilience planning, equipping clients with the tools to anticipate climate-related disruptions and implement adaptive sustainability measures.

Through customized Sustainability & ESG training and capacity-building programs, the ADEC NV Group enables businesses to foster a culture of sustainability, ensuring that executives, employees, and supply chain partners remain well-versed in Sustainability & ESG best practices and organizational goals.

Research & Development services
The ADEC NV Group provides research and development services to other entities within the ADEC Innovations Group, notably through the development of software solutions and platforms as further developed below.

2. *Business Model*

The ADEC NV Group operates a diversified revenue model, balancing consulting services with innovative technological solutions. Revenue sources include:

- Fixed-Fee Services, representing approximately 89% of the 2022-2024 revenue of FCS International, Inc.: services delivered through structured engagements with predefined deliverables, for example CDP scoring assessments;

- Milestone-based payments, representing approximately 11% of the 2022-2024 revenue of FCS International, Inc.: multi-phase projects where billing is tied to specific performance milestones, for example environmental compliance projects.

Approximately 29% of the 2022-2024 projects of FCS International, Inc. involved third-party specialists. This allows leveraging external expertise for specialized assessments such as economic analyses, geotechnical or geological services, water quality assessment, and traffic planning & analysis.

FCS International, Inc. engages in extensive research and development to drive continuous improvements in operational efficiency, process automation, and compliance with sustainability & ESG (Environmental, Social, and Governance) standards.

FCS also leverages software platforms made available through the ADEC Innovations Group, which address key areas of sustainability & ESG performance:

- *CleanChain* – A data-driven platform that supports ESG compliance and enhances supply chain transparency.

- *FoodChain* – A specialized platform for managing sustainability data and optimizing ESG performance in the food and agriculture sectors.

- *Property Risk Map* – An AI-powered risk assessment tool that integrates data from over 2,200 local, federal, tribal, and proprietary regulatory sources.

- *Gateway* – A licensing and partnership platform designed to foster collaboration on sustainability-focused initiatives.

3. *Market Positioning & Outlook*

The ADEC NV Group serves a diverse global client base, representing 2,135 projects and 612 clients.

The ADEC NV Group is positioned to capitalize on the demand for Sustainability & ESG regulatory compliance and operational resiliency solutions. Evolving regulatory frameworks such as the CSRD and the SFDR are expected to drive market expansion, reinforcing the necessity for specialized Sustainability & ESG services.

The admission to trading of the shares of the Company on Euronext Access Brussels represents a strategic milestone in the Company's growth strategy, providing enhanced visibility and credibility within the Sustainability & ESG industry. This listing is expected to facilitate long-term geographic expansion, strengthen market penetration, specifically in Europe, and support further development of advanced Sustainability & ESG technology solutions tailored to the evolving regulatory and environmental landscape.

II.A.3. Shareholders holding more than 5% of the Issuer's capital

As of the date of this Information Note and to the extent known to the Company, the following shareholders hold more than 5% of the Company's capital are:

Name of shareholder	No. of shares held	Percentage of shareholding
James Michael Donovan	92.046	46%
Carolina Salafranca Esguerra	60.030	30%
Jose Renato Badelles	48.024	24%
Total	**200.100**	**100%**

II.A.4. Transactions between the Issuer and shareholders holding more than 5% of the Issuer's capital or other related parties.

In the ordinary course of business, the ADEC NV Group, through its fully owned subsidiary FCS International, Inc. engaged in multiple transactions with related entities within the ADEC Innovations Group during the year ended 31 December 2024. These transactions primarily consisted of service agreements covering data and document management, business process outsourcing, software solutions, IT support, and infrastructure services.

As of 31 December 2024:

- FCS International, Inc. had accounts receivable from related parties amounting to USD 1,220,431.
- It reported short- and long-term accounts payable to related parties totalling USD 5,641,368.
- A note payable to a related party (FCS Global Corp.) amounted to USD 597,703, bearing interest at Prime +1.00% with no defined repayment terms.
- Amounts due to related parties totalled USD 755,000.

Notable related entities include ADEC Solutions USA, ADEC Innovations Ltd. (Bermuda), ADEC Solutions Ltd. (UK), ADEC Innovations Pty. Ltd. (Australia), Envirosite (USA), Cameron Cole (USA), and ADEC Innovations Corporation (Philippines), among others. Services exchanged under the MSAs included operational support, software development, and consulting. All agreements were conducted under terms aligned with market practices and renewed periodically.

For the year 2024:

- Revenue from related parties amounted to USD 977,292.
- Expenses incurred with related parties totalled USD 1,869,184.
- Related party interest expense on the note payable amounted to USD 43,376.

The transactions are conducted on an arm's length basis and are governed by Mutual Service Agreements (MSAs), which clearly define the services to be rendered by related parties to the other, the corresponding consideration for such services, and other applicable terms and conditions. The ADEC NV Group has appropriate internal controls in place to manage these transactions.

The table below provides an overview of related parties transactions for the year 2024, further information and details on related parties transactions are available in the audited financial statements of FCS International, Inc. for 2024 and 2023 that are provided in Appendix 4 and 5 to this Information Note.

FCS International: Related Party Transactions for the year 2024

	ADEC USA	ADEC LTD	ADEC Innovations LTD	ADEC Innovations PTY LTD	Envirosite	FCS Global	Cameron-Cole	ADEC Innovations Corp	Total
Balance Sheet 31/12/2024									
Accounts receivable	$1,922	$1,576	$-	$-	$34,975	$-	$1,182,914	$-	$1,221,387
Accounts Payable	$188,011	$114,267	$4,383,594	$-	$-	$-	$564,561	$391,891	$5,642,324
Notes Payable	$-	$-	$-	$-	$-	$597,703	$-	$-	$597,703
Cash Advances	$65,000	$-	$713,000	$-	$-	$-	$(3,000)	$-	$775,000
P&L 2024									
Revenues 2024	$39,536	$-	$-	$16,143	$425,223	$-	$496,390	$-	$977,292
Expenses 2024	$180,235	$16,306	$587,841	$221,166	$547,239	$-	$316,397	$-	$1,869,184

Following the conclusion of the financial year 2024, FCS International, Inc. has started a new mutual services collaboration with a related party incorporated in South Africa, ADEC Innovations ZAF (PTY) LTD for IT resources

Additionally, as part of the Pre-Listing Restructuring (as defined in Section II.B.4), on 16 July 2025, the Company acquired 100% of the shares of FCS International, Inc. from ADEC Professional Services (USA, Delaware), as further elaborated in Sections II.A.8., and II.B.4.

II.A.5. Composition of the Issuers administration body, management committee and executive day-to-day management

As of the date of this Information Note, the composition of the Board of Directors of the Company is as follows:

Name	Mandate	End of Term
James Donovan	Director, Chairman	2028
Carol Esguerra	Director, Vice Chairman	2028
Ben Wilde	Director	2028
Antero M. Caganda	Independent Director	2028
Hunter Donovan	Director & Corporate Secretary	2028

The executives in charge of the day-to-day management of the Company are James Donovan (ADEC Innovations Group CEO), Carol Esguerra (ADEC Innovations Group CFO), Brenden Faber (ADEC Innovations Group COO), and Patrick Schultz (EVP ADEC Professional Services).

II.A.6. Remuneration of the Directors and persons in charge of the day-to-day management of the Company as well as total amount allocated by the Issuer or its subsidiaries for the purpose of the payment of pension, retirement or other benefits

In 2024, the following amounts were paid to the Directors and persons in charge of the day-to-day management of the Issuer:

Directors Persons in charge of the day-to-day management	**Total remuneration 2024**
James Michael Donovan	/
Carolina Esguerra	/
Ben Wilde	/
Antero M. Caganda	/
Hunter Donovan	USD 100,000.00
Brenden Faber	USD 224,993.60
Patrick Schultz	USD 288,849.60
Total	**USD 613,843.20**

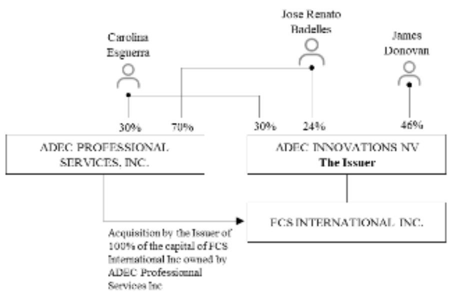
James Michael Donovan, Carolina Esguerra, Ben Wilde, and Antero M. Caganda are not compensated in any form by the Issuer.

II.A.7. For persons mentioned under section II.A.4., mention of any conviction as referred to in article 20 of the Law of 25 April 2014 on the status and supervision of credit institutions and listed companies

None of the persons mentioned under section II.A.4. has been convicted of an offense under Article 20 of the Law of 25 April 2014 on the status and supervision of credit institutions and listed companies.

II.A.8. Description of (potential) conflicts of interests

On 16 July 2025, the Company has acquired 100% of the shares of FCS International, Inc. for an equity value of USD 3,471,020 from ADEC Professional Services (USA, Delaware), a company controlled by the Shareholders, Renato T. Badelles and Carol Esguerra. The purchase price is settled 50% (USD 1,735,510 or the Euro equivalent) by way of a cash payment and 50% (USD 1,735,510 or the Euro equivalent) by way of a vendor loan granted by the seller.



Pursuant to Dutch law and the articles of association of the Company, a Director shall not participate in deliberations and the decision-making process of the Board of Directors in the event of a direct or indirect personal conflict of interest between that Director and the Company and the enterprise connected with it.

Non-compliance with the provisions on conflicts of interest may render the resolution voidable (*vernietigbaar*) and a non-complying Director may be held liable towards the Company. As a general rule, the existence of a (potential) conflicts of interest does not affect the authority to represent the Company, and would therefore not affect the validity of contracts entered into by the Company. Under certain circumstances a company may annul a contract if the Company's counterparty was or should have been aware of the conflict and misused it.

If the Board of Directors is unable to adopt a resolution as a result of all Directors being unable to participate in the deliberations and decision-making process due to such a conflict of interest, the decision shall be taken by the general meeting of the Company.

The abovementioned applies mutatis mutandis to the deliberations and decision-making of the Board of Directors in respect of related party transactions in which a Director or all Directors is or are involved.

At the date of this Information Note the Board of Directors consists of five Directors. Director C.S. Esguerra may have a potential conflict of interest in respect of the Pre-Listing Restructuring transactions disclosed in section "II.B.4" below, as she controls ADEC Professional Services (USA, Delaware) and exercises a mandate as Director of the Company at the time of the acquisition of FCS International, Inc. Consequently, Director C.S. Esguerra recused herself from the decision-making process and deliberations of the Board of Directors in respect of this transaction, as mentioned in the minutes of the relevant meeting of the Board of Directors.

According to best practice principle 2.7.4 of the Dutch Corporate Governance Code 2025, the Company will report on the Directors' conflicts of interest in transactions in its management report where the conflict of interest is of material significance to the Company and/or to the relevant Director. The decision on whether a Director has a conflict of interest shall primarily be the responsibility of that Director. However, in the case of debate, the Board of Directors has the authority, after having heard the relevant Director and without that relevant Director being present, to determine whether a reported matter qualifies as a conflict of interest within the meaning of Dutch law.

Other than as disclosed in this section "II.A.8." with respect to the acquisition of FCS International, Inc, there are as of the date of this Information Note no potential conflicts between the personal interests or other duties of the Directors on the one hand and the interests of the Company on the other hand.

II.A.9. Auditor of the Company

The financial statements of the Company prepared in accordance with Dutch GAAP for the period from its incorporation on January 15, 2024, until December 31, 2024, have undergone a voluntary audit (non-statutory) by the Dutch firm Bolder Business Services (Netherlands) B.V. (https://bolderlaunch.com). Please refer to Appendix 2 for further details.

The financial statements of FCS International, Inc. prepared in accordance with US GAAP standards for the years ending December 31, 2024, and December 31, 2023, have been audited by the US firm Eide Bailly LLP (https://www.eidebailly.com).

II.B. Financial Information regarding the Issuer

II.B.1. Financial Statements regarding the Issuer

The following documents are included in the appendix of this Information Note:

- Appendix 1: The financial statements of the Company prepared in Dutch GAAP for the year ending 31 December 2024.
- Appendix 3: Unaudited concise Profit and Loss Quarter on Quarter 2024 -2025 of FCS International, Inc.
- Appendix 4 and 5: The audited financial statements of FCS International, Inc. prepared in US GAAP standards for the years ending 31 December 2024 and 31 December 2023.

II.B.2. Working Capital Statement

The Board of Directors is of the opinion that, as of the date of this Information Note, the Company has sufficient working capital to meet its current obligations and cash requirements for the next twelve (12) months, based on existing operational forecasts and the debt financing capacity that benefit to the Company.

II.B.3. Capitalisation and Indebtedness

The tables below provide unaudited statement of Capitalisation and Indebtedness as of 31 March 2025 for the Company and its fully owned subsidiary FCS International, Inc. The tables below have been prepared in line with financials of both companies, respectively in Dutch GAAP and US GAAP.

Regarding the Capitalisation and Indebtedness statement of the Company, it should be noted that it does not yet reflect the capital increase and vendor loan that was executed on 16 July 2025 in the context of the acquisition of 100% of the shares of FCS International Inc.

ADEC Innovations NV Unaudited statement of Capitalisation and Indebtedness as of 31 March 2025		**Amount €**
Liabilities		
Trade payables	€	5,625
Other payables	€	78
Short Term debt	€	79,273
Total Liabilities	**€**	**84,976**
Equity		
Share capital	€	100
Retained earnings	€	(71.949)
Total Equity	**€**	**(71.849)**
Total Liabilities and Equity	**€**	**13.127**

FCS International Inc. Unaudited statement of Capitalisation and Indebtedness as of 30 June 2025		**Amount $**
Current Liabilities		
Accounts payable	$	778,875
Accounts payable - related parties	$	1,281,480
Accrued liabilities	$	1,117,108
Contract liabilities	$	1,049,083
Current maturities of operating lease liability	$	133,994
Total current liabilities	$	4,360,540
Long-Term Liabilities		
Note payable, related party	$	619,391
Due to related parties	$	755,000
Operating lease liability, less current maturities	$	469,822
Accounts payable - related parties	$	4,821,789
Total long-term liabilities	$	6,666,002
Total liabilities	**$**	**11,026,542**
Commitments and Contingencies		
Stockholder's Deficit		
Common stock	$	13,600
Additional paid-in capital	$	3,457,420
Accumulated deficit	$	(6,258,903)
Total stockholder's deficit	**$**	**(2,787,882)**
Total Liabilities and Stockholders Equity	**$**	**8,238,660**

II.B 4. Information on significant changes to the financial or commercial situation

Immediately prior to the admission to trading of the shares of the Issuer, the Company proceeded with the following restructuring (step 1 to 3 together referred to as the "**Pre-Listing Restructuring**"):

1. Capital increase in the amount of EUR 2,000,000.00

On 16 July 2025, the share capital of the Company was increased by an amount of € 2,000,000 through a cash contribution subscribed by all shareholders in proportion to their existing shareholdings. Following this contribution, the share capital of the Company was raised from €100.00 to €2,000,100.00 through the issuance of 200,000 new shares with a value of €10.00 each.

2. Conversion of ADEC Innovations BV into ADEC Innovations NV

On 16 July 2025, ADEC Innovations BV (*Besloten Vennootschap*) underwent a legal conversion into a public limited liability company (*Naamloze Vennootschap*) pursuant to Dutch company law, and now operates under the name ADEC Innovations NV.

3. Acquisition by ADEC Innovations NV of FCS International Inc. (US) from ADEC Professional Services, Inc.

On 16 July 2025, the Company has acquired the 11,000 the shares composing 100% of the capital of FCS International, Inc. for an equity value of USD 3,471,020 from ADEC Professional Services (USA, Delaware), another company of the ADEC Innovations Group controlled by the Shareholders, Renato T. Badelles and Carol Esguerra. The purchase price is settled 50% (USD 1,735,510 or the EURO equivalent) by way of a cash payment within a period of ten (10) banking days after the signature (on 16 July 2025) and 50% (USD 1,735,510 or the EURO equivalent) by way of a vendor loan granted by the seller. The vendor loan bears an interest rate of 5% and is repayable within a period of twelve (12) months following the signature.

The consideration of USD 3,471,020 corresponds to the total amount invested in the capital of FCS International, Inc., consisting of Paid-in Capital of USD 3,457,420 and Capital Stock USD 13,600.

Based on the financial statements for the year ended 31 December 2024, this valuation corresponds to an enterprise value of EUR 3,819,407, representing an EBITDA multiple of 6x, as illustrated in the table below.

FCS International, Inc.

Enterprise Value	**Full Year- 2024**
Other Liabilities	$1,352,703
Less: Cash and cash equivalents	$1,004,316
Net Debt	**$348,387**
Capital Stock	$13,600
Paid-In-Capital	$3,457,420
Enterprise Value	**$3,819,407**
EBITDA	**$636,006**
EBITDA multiple	**6x**

Peers	**Listing places**	**EBIDTA multiples**
Next Geosolutions Europe	Euronext Growth Milan	5.7
ABO Group Environment	Euronext Brussels - Euronext Paris	7.5
Soiltech ASA	Euronext Expand Oslo	10.5

This multiple is in line with the EBITDA multiples of peer companies listed on Euronext, which range from 5.7 to 10.5. as illustrated in the table above.

II.C. Identity of the person asking for the admission to trading if this is not the Issuer

Not applicable

II.D. Information relating to underlying assets

Not applicable

PART III – INFORMATION REGARDING THE ADMISSION TO TRADING OF THE FINANCIAL INSTRUMENTS

III.1. Name of the Multilateral Trading Facility ("MTF") on which the admission to trading of the investment instruments is requested and of any other market on which the investment instruments are already admitted

The Company requests the admission to trading of all its 200,100 outstanding ordinary shares on the MTF Euronext Access operated by Euronext Brussels.

III.2. Number of investment instruments admitted and total number investment instruments issued by the Issuer

The admission request pertains to all 200,100 ordinary shares issued by the Company which represent the totality of the shares issued by the Company.

III.3. Restriction on the trading in investment instruments

The Company is not aware of any specific restriction to the trading of its outstanding shares and does not hold any treasury shares.

III.4. ISIN Code

ISIN: NL0015002K91

PART IV – INFORMATION REGARDING THE INVESTMENT INSTRUMENT FOR WHICH ADMISSION TO TRADING IS REQUESTED

IV.A. Characteristics of the investment instruments for which admission is requested

IV.A.1. Nature and category of the investment instruments

The investment instruments are 200,100 ordinary shares, each of which entitles the holder to cast one vote at the Company's general meetings.

IV.A.2. Currency, name and, where applicable, nominal value

Currency:	The Company's shares will be traded in Euros (€) on Euronext Access operated by Euronext Brussels.
Name:	ADEC Innovations (ADEC)
Nominal value :	The Company's shares have a nominal value of €10.00 each.

IV.A.3. Maturity date and, where applicable, repayment terms

Not applicable

IV.A.4. Ranking of the investment instruments in the issuer's capital in case of insolvency

Not applicable

IV.A.5. Interest rate

Not applicable

IV.A.6. Dividend policy

The Company and its fully owned subsidiary FCS International, Inc. have not declared or paid dividends on its shares in the past. Currently, the Board of Directors of the Company expects to retain all earnings, if any, generated by the ADEC NV Group's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the foreseeable future.

IV.A.6. Dates on which the interest is paid or the dividend is distributed

Not applicable

IV.B. Only in the event that a guarantee is granted by a third party in respect of the investment instruments: description of the guarantor and the guarantee

Not applicable

IV.C. Where applicable, additional information required by the MTF on which the admission to trading of the financial instruments is requested

IV.C.1. Reference price

The reference price for the admission to trading of the Issuer's shares, scheduled for 25 July 2025, is set at €10.00. This price corresponds to the value of the shares issued in the capital increase of €2,000,000.00 that took place on 16 July 2025.

This share price implies an equity value of the Issuer of €2,001,000.00, which almost exactly matches the total cash capital contributions made by the Issuer's shareholders, amounting to €2,000,100.00. Indeed, prior to the capital increase of 16 July 2025, the only cash capital contribution to the Issuer was made at the time of its incorporation on 15 January 2025, with an initial capital of €100.00, represented by 100 shares with a nominal (par) value of €1.00 each.

IV.C.2. Listing Sponsor

In application of the rules governing the Euronext Access MTF, the Listing Sponsor appointed by the Company for this operation is 4Reliance SA

IV.C.3. Lock-up

In the context of the contemplated admission to trading of the Company's shares, each of the three existing shareholders (as referred to in section II.A.3) has entered into a lock-up commitment. Pursuant to this commitment, each shareholder has agreed not to sell, offer, pledge, or otherwise transfer more than 20% of their respective shareholding in the Company for a period of twelve (12) months following the scheduled admission to trading, expected to take place on 25 July 2025.

PART V – ANY OTHER MATERIAL INFORMATION ADDRESSED ORALLY OR IN WRITING TO ONE OR MORE SELECTED INVESTORS

APPENDIXES

1. Financial Statements 15-01 to 31 12 2024 of ADEC Innovations B.V.
2. Comfort Letter Bolder Business Services (Netherlands) B.V.
3. FCS International, Inc. Unaudited concise Profit and Loss Quarter on Quarter 2024 -2025
4. FCS International, Inc. Audited Financial Statements December 31, 2024
5. FCS International, Inc. Audited Financial Statements December 31, 2023

Appendix 1- Financial Statements 15-01 to 31 12 2024 of ADEC Innovations B.V.

To the board of
ADEC Innovations B.V.

Financial Statements 15-01-2024 to 31-12-2024

Date of preparation: 7 April 2025

DocuSigned by:

9C5C9A3F7A97450...

Index **Page**

1	**General**	**1**
2	**Financial statements**	**2**
2.1	*Balance per 31-12-2024*	2
2.2	*Profit and loss account 2024*	3
2.3	*Basis of the financial statement*	4
2.3.1	*General principles*	4
2.3.2	*Basis for balance sheet assets*	4
2.3.3	*Basis for balance sheet liabilities*	4
2.4	*Related parties*	5
2.4.1	*Specification shareholder(s)*	5
2.5	*Additional information on balance sheets assets per 31-12-2024*	6
2.5.1	*Receivables*	6
2.6	*Additional information on balance sheets liabilities per 31-12-2024*	7
2.6.1	*Equity*	7
2.6.2	*Short-term debts*	7
2.7	*Additional information profit and loss account 2024*	8
2.7.1	*Other operating expenses*	8

DocuSigned by:

9C5C9A3F7A97450...

1 General

These financial statements are based on commercial figures.

The limited liability company ADEC Innovations B.V. has the following trade names: ADEC Innovations B.V..
The limited liability company seat is located in 's-Gravenhage.
The limited liability company is registered with the Chamber of Commerce under file number 92643337.

2 Financial statements

2.1 Balance per 31-12-2024

after appropriation of results

Assets		**31-12-2024**		**15-01-2024**
	€	€	€	€
Receivables				
Short-term receivables from participants and companies in which is participated	100		100	
Other receivables	319		0	
		419		**100**
Total assets		**419**		**100**

Equity and Liabilities		**31-12-2024**		**15-01-2024**
	€	€	€	€
Equity				
Issued and paid in capital	100		100	
Retained earnings	-36,729		0	
		-36,629		**100**
Short-term debts				
Trade payables	20,000		0	
Short-term payables to participants and companies in which is participated	13,887		0	
Other short-term debts	3,161		0	
		37,048		**0**
Total liabilities		**419**		**100**

2.2 Profit and loss account 2024

	15-01-2024 to 31-12-2024	
	€	€
Other operating expenses		
Accommodation costs	2,482	
Other costs	34,247	
		-36,729
Balance result		**-36,729**

2.3 Basis of the financial statement

Reporting period deviates from the calendar year

Reason for deviation

The company completed its registration with the KvK (Chamber of Commerce) on 15/01/2024. The first book year of the company spaned from 15/01/2024 to 31/12/2024, which resulted in a deviation from the standard calendar year.

Effect on comparatives

No effect on the comparative figures.

2.3.1 General principles

General policies

The annual accounts have been prepared in accordance with the legal provisions of Title 9, Book 2 of the Dutch Civil Code, with the exception of Section 6 'Regulations regarding the principles of valuation and determination of the result'. Instead, the principles for determining taxable profit as referred to in the Corporate Income Tax Act are applied. Furthermore, the Decree on fiscal valuation principles and the 'Guide to the application of fiscal principles for small legal entities' of the Council for Annual Reporting also apply.

General result determination

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

2.3.2 Basis for balance sheet assets

Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.3.3 Basis for balance sheet liabilities

Short-term debts

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

DocuSigned by:

9C5C9A3F7A97450...

2.4 Related parties

2.4.1 Specification shareholder(s)

Name shareholder **Carolina Salafranca Esguerra**

Debt of Carolina Salafranca Esguerra to the company

Description	*Interest paid*	*Debt amount*
Current account Carolina Salafranca Esguerra	0	30
	0	30

Carolina Salafranca Esguerra has no claim to the company.

Name shareholder **Jose Renato Badelles**

Debt of Jose Renato Badelles to the company

Description	*Interest paid*	*Debt amount*
Current account Jose Renato Badelles	0	70
	0	70

Jose Renato Badelles has no claim to the company.

2.5 Additional information on balance sheets assets per 31-12-2024

2.5.1 Receivables

Short-term receivables from participants and companies in which is participated

	Nominal value	*31-12-2024*	*15-01-2024*
Current account Shareholder J.R. Badelles	70	70	70
Current account Shareholder C.S. Esguerra	30	30	30
		100	100

Other receivables

	31-12-2024	*15-01-2024*
Prepayments	319	0
	319	0

Accounts receivable all have a remaining term to maturity of less than one year, unless stated otherwise.

2.6 Additional information on balance sheets liabilities per 31-12-2024

2.6.1 Equity

Issued and paid in capital

	31-12-2024	*15-01-2024*
Ordinary shares	100	100
	100	100

The share capital consists of 100 ordinary shares with a nominal (par) value of €1.00 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings.

Retained earnings

	31-12-2024	*15-01-2024*
Other reserves	-36,729	0
	-36,729	0

Mutations equity

Mutation retained profit	*Value*
Balance per 15-01-2024	0
Balance sheet before or after appropriation of results	-36,729
Balance per 31-12-2024	-36,729

2.6.2 Short-term debts

Trade payables

	31-12-2024	*15-01-2024*
Trade creditors	20,000	0
	20,000	0

Short-term payables to participants and companies in which is participated

	31-12-2024	*15-01-2024*
Current account ADEC Solutions Limited	13,887	0
	13,887	0

Other short-term debts

	31-12-2024	*15-01-2024*
Other accruals	3,161	0
	3,161	0

The current liabilities have a remaining term of maturity of less than one year.

DocuSigned by:

9C5C9A3F7A97450...

2.7 Additional information profit and loss account 2024

2.7.1 Other operating expenses

Accommodation costs

	15-01-2024 / 31-12-2024
Paid rent	2,482
	2,482

Other costs

	15-01-2024 / 31-12-2024
Other office costs	605
Other general expenses	80
Accounting fees	13,562
Listing sponsor agreement fees	20,000
	34,247

Signing Financial Statements

ADEC Innovations B.V.
James Donovan
Current director

Signature
....
4/10/2025

ADEC Innovations B.V.
Ben Wilde
Current director

Signature
DocuSigned by:
.....9C5C9A3F7A97450...
4/10/2025

Appendix 2 – Comfort Letter Bolder Business Services (Netherlands) B.V.

Comfort letter

ADEC Innovations B.V.

Saturnusstraat 95, 2516AG 's-Gravenhage

To whom it may concern,

We (*Bolder Business Services (Netherlands) B.V., hereafter: Bolder Launch*) have prepared the financial statements for ADEC Innovations B.V. (*hereafter: the company*) statement for the financial year from 15th January 2024 until 31st December 2024, and we have conducted a volunteer audit (non-statutory) on the financial statement. Based on our professional work and the information provided by ADEC company, we confirm that the financial statements have been prepared in accordance with Dutch Generally Accepted Accounting Principles (GAAP) and reflect, to the best of our knowledge, the true and accurate financial position of the company as of the reporting date.

Please note that this confirmation is provided in the context of our professional services and is not an audit, review, or assurance engagement. No statutory audit procedures have been performed, and therefore, we do not provide any form of statutory audit opinion.

In connection with the comfort letter:

(1) **Act on the prevention of money laundering and terrorist financing (Wwft)**

Under the Wwft, Bolder Launch is obliged to carry out a customer due diligence before accepting the engagement. Furthermore, the Wwft demands to report unusual transactions carried out or intended at or by ADEC Innovations B.V. insofar as this is encountered as part of normal procedures, to the Financial Intelligence Unit.

During a compilation engagement we have conducted in the preparation and presentation of the financial statements in accordance with the applied accounting principles. To this end we have applied our professional expertise in accounting and financial reporting. To conclude the work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of the company.

(2) **Management's Responsibilities of ADEC Innovations B.V.**

- The management of ADEC Innovations B.V. is responsible for both the accuracy and completeness of the information supplied to us and is responsible to users for the financial information reviewed by us. This includes the maintenance of adequate accounting records and internal controls and the selection and application of appropriate accounting policies;
- The management of ADEC Innovations B.V. is responsible to the tax authorities for the corporation tax returns compiled and filed by us;

bolder launch

Head Office
4818 CL Breda
The Netherlands
Netherlands.bolderlaunch.com

- The management of ADEC Innovations B.V. is responsible for the judgements needed in the preparation and presentation of the financial statements, including those for which we may provide assistance in the course of the compilation engagement;
- The management of ADEC Innovations B.V. is responsible for the maintaining proper accounts, the use of an adequate system of internal control and the selection and application of the accounting policies in accordance with the intended use of the financial statements
- ADEC Innovations B.V. will provide accounts for review;
- ADEC Innovations B.V. will provide the information needed for the compilation of the tax returns in time for Bolder Launch to file the return within the designated filing period;
- Bolder Launch cannot be held accountable for any penalties payable due to untimely or Bolder Launch complete payment of corporation taxes due by ADEC Innovations B.V.;
- Bolder Launch cannot be held accountable for exceeding any filing deadline resulting in penalties payable to the tax authorities due to untimely delivery of information.

Yours sincerely,

Bolder Business Services (Netherlands) B.V.

Digitally signed by Benjamin Wilde
Date: 2025.04.16 14:44:35 +01'00'

Yuliya Postma
Managing Director
Date: 14th April 2025
Place: Breda, the Netherlands

Appendix 3 – FCS International, Inc.

Unaudited concise Profit and Loss Quarter on Quarter 2024 -2025

Concise Profit and Loss (USD$)	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	***Q1 2025***	***Q2 2025***		**2024**
Gross Revenue	**$3,487,892**	**$4,566,003**	**$4,668,778**	**$3,926,112**	***$3,443,992***	***$4,165,500***	**$**	**16,648,785**
Directs	$1,292,312	$1,998,469	$1,945,380	$1,633,096	*$1,307,470*	*$1,632,669*	$	6,869,257
Gross Profit	**$2,195,580**	**$2,567,534**	**$2,723,398**	**$2,293,016**	***$2,136,522***	***$2,532,831***	**$**	**9,779,528**
Indirects	$2,189,713	$2,300,303	$2,266,308	$2,403,075	*$2,336,688*	*$2,354,671*	$	9,159,399
Operating Profit/(Loss)	**$5,867**	**$267,231**	**$457,090**	**$(110,059)**	***$(200,166)***	***$178,161***	**$**	**620,129**
Other Income/(Expenses)	$-	$42,994	$800	$211,094	*$10,844*	*$6,425*	$	254,888
Net Income	**$5,867**	**$224,237**	**$456,290**	**$(321,153)**	***$(211,010)***	***$171,736***	**$**	**365,241**
NPR	0.2%	4.9%	9.8%	-8.2%	*-6.1%*	*4.1%*		2.2%
Add: Interest Expense	$10,844	$10,876	$10,844	$10,844	*$10,844*	*$10,844*	$	43,408
Tax Expense	$-	$-	$-	$140,692	*$-*	*$1,636*	$	140,692
Depreciation	$25,629	$21,822	$19,677	$19,536	*$19,159*	*$19,644*	$	86,665
EBITDA	**$42,340**	**$256,935**	**$486,811**	**$(150,080)**	***$(181,006)***	***$203,860***	**$**	**636,006**

Appendix 4 – FCS International, Inc.

Audited Financial Statements
December 31, 2024

Financial Statements
December 31, 2024

FCS International, Inc.

Independent Auditor's Report 1

Financial Statements

Balance Sheet 3
Statement of Income 4
Statement of Stockholder's Deficit 5
Statement of Cash Flows 6
Notes to Financial Statements 7

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
FCS International, Inc.
Irvine, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FCS International, Inc. which comprise the balance sheet as of December 31, 2024, and the related statements of income, stockholder's deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above presents fairly, in all material respects, the financial position of FCS International, Inc. as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of FCS International, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FCS International, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 FCS International, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FCS International, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Eide Bailly LLP

Tustin, California
April 15, 2025

FCS International, Inc.
Balance Sheet
December 31, 2024

Assets	
Current Assets	
Cash and cash equivalents	$ 1,004,316
Accounts receivable, net	3,010,140
Accounts receivable, related parties	1,220,431
Contract assets	894,338
Prepaid expenses and other current assets	209,565
Total current assets	6,338,790
Right-of-Use Assets - Operating Leases	644,273
Property and Equipment, Net	106,662
Deferred Tax Assets	640,741
	$ 7,730,466
Liabilities	
Current Liabilities	
Accounts payable	$ 849,448
Accounts payable, related parties	317,733
Accrued liabilities	974,643
Contract liabilities	960,114
Current maturities of operating lease liabilities	230,976
Total current liabilities	3,332,914
Long-Term Liabilities	
Accounts payable, related parties	5,323,635
Note payable, related party	597,703
Due to related parties	755,000
Operating lease liabilities, less current maturities	469,822
Total long-term liabilities	7,146,160
Total liabilities	10,479,074
Commitments and Contingencies	
Stockholder's Deficit	
Common stock	13,600
Additional paid-in capital	3,457,420
Accumulated deficit	(6,219,628)
Total stockholder's deficit	(2,748,608)
	$ 7,730,466

Revenue	$ 16,648,785
Cost of Revenue	6,869,257
Gross Profit	9,779,528
Selling, General and Administrative Expenses	9,244,658
Operating Income	534,870
Other Income (Expenses)	
Realized gain on foreign currency translation	14,471
Interest expense	(43,408)
Total other income (expense)	(28,937)
Net Income Before Income Taxes	505,933
Provision for Income Taxes	140,692
Net Income	$ 365,241

	Shares Issued and Outstanding	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Deficit
Balance - January 1, 2024 Common stock, no par value 10,000,000 shares authorized 11,000 shares issued and outstanding	11,000	$ 13,600	$ 3,457,420	$ (6,584,869)	$ (3,113,849)
Net Income	-	-	-	365,241	365,241
Balance, December 31, 2024	11,000	$ 13,600	$ 3,457,420	$ (6,219,628)	$ (2,748,608)

Operating Activities	
Net income	$ 365,241
Adjustments to reconcile net income to net cash flows from operating activities	
Credit losses	(13,898)
Depreciation and amortization	86,665
Accrued interest on note payable, related party	43,375
Deferred tax assets	123,088
Changes in assets and liabilities	
Accounts receivable	(673,841)
Accounts receivable, related parties	(526,015)
Contract assets	(58,523)
Prepaid expenses and other current assets	109,386
Operating lease assets and liabilities	(9,859)
Accounts payable	(2,771)
Accounts payable, related parties	919,867
Accrued liabilities	4,745
Contract liabilities	21,842
Net Cash from Operating Activities	389,302
Investing Activities	
Purchase of property and equipment	(23,065)
Net Cash used for Investing Activities	(23,065)
Financing Activities	
Cash advances on due to related parties	(75,000)
Repayments received on cash advances due to related parties	155,000
Net Cash from Financing Activities	80,000
Net Change in Cash and Cash Equivalents	446,237
Cash and Cash Equivalents, Beginning of the Year	558,079
Cash and Cash Equivalents, End of the Year	$ 1,004,316

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

FCS International, Inc., (the "Company") is incorporated in California as a corporation. The Company operates under the ADEC Innovations umbrella and provides environmental, sustainability, and compliance solutions, delivering fully-integrated consulting, software, and data management services to its customers. The Company's principal markets are developers, governmental and commercial businesses. As an ADEC Innovations organization, the Company is focused on improving the world we live in by advancing sustainable practices globally. The Company grants credit to its customers, substantially all of whom are located in California.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2024, the Company had $952,385 in excess of FDIC-insured limits.

As of December 31, 2024, one customer who represented 29% of accounts receivable. For the year ended December 31, 2024, no customers represented 10% or more of total revenue.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an original maturity of three month or less.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are generally due when billed. Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount billed to the customer. The Company does not charge interest on overdue customer account balances. Payments on accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at December 31, 2024 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at December 31, 2024 totaled $123,242.

Changes in the allowance for credit losses for accounts receivable are as follows for the year ended December 31, 2024:

Allowance for Credit Losses, Beginning of Year	$	137,140
Provision for credit losses		-
Charge-offs		(13,898)
Recoveries		-
Allowance for Credit Losses, End of Year	$	123,242

Property and Equipment

Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation and amortization are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation and amortization is provided using the straight-line method, based on useful lives of the assets which are generally 3 to 10 years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at December 31, 2024.

Leases

The Company recognizes right-of-use (ROU) assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the income statement as a single lease cost and finance lease costs are recognized in two components, interest expense, and amortization expense.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Company has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Company has applied the risk-free rate option to the building classes of assets.

The Company has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Company elected the practical expedient to not separate lease and non-lease components for a real estate lease.

Income Taxes

Income taxes are provided for the tax effects of transactions reporting in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, property and equipment, and accrued liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2024, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Revenue Recognition

The Company recognizes revenue over time in an amount that reflects the expected consideration received in exchange for those goods or services. These services are sold under time-and-materials contracts. Revenue under time-and-materials contracts is recognized on the basis of actual time incurred multiplied by the billable hourly rate stated in the contract, plus direct expenses incurred.

The following summarizes the Company's major contract types:

Fixed-Price Contracts
Fixed price contracts include both lump-sum and fixed-unit price contracts. Under lump-sum contracts, the Company performs all the work under the contract for a specified fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. Under fixed-unit price contracts, the Company performs a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of unites delivered. Revenue is recognized for fixed-price modified by incentive and penalty provisions contracts using the input method on a cost-to-cost basis.

Subconsultant Revenue
Subconsultant revenue recognition is recognized when the service is performed, and the performance obligation is satisfied. Revenue is recognized over time, typically based on the progress toward completion or the amount of work completed.

Time and Materials, Unit Price and Cost-Plus
The revenue for time and materials, unit price and cost-plus contracts are recognized when service is provided to the customer.

Contract assets represent revenue recognized in excess of amounts billed, referred to as unbilled receivables. Contract liabilities represent billings in excess of revenue recognized and include retainers received.

Advertising

Advertising expenses are charged to expense as incurred. For the year ended December 31, 2024, advertising expense amounted to $109,208.

Foreign Currency Transactions

The U.S. dollar is the Company's functional currency. Transactions denominated in currency other than the Company's functional currency are recorded upon initial recognition at the exchange rate on the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are remeasured at each reporting date into the foreign currency at the exchange rate on that date. Exchange rate differences, other than those accounted for as hedging transactions, are recognized as foreign currency transaction gain or loss included in the Company's statement of income.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net income or stockholders' deficit.

Note 2 - Accounts Receivable, Net

Accounts receivable, net consist of the following as of:

	December 31, 2024	January 1, 2024
Accounts receivable	$ 3,133,382	$ 2,459,541
Allowance for credit losses	(123,242)	(137,140)
	$ 3,010,140	$ 2,322,401

Note 3 - Contract Assets

Contract assets consist of the following as of:

	December 31, 2024	January 1, 2024
Unbilled receivables	$ 894,338	$ 835,815

Note 4 - Property and Equipment, Net

Property and equipment, net as of December 31, 2024, consist of the following:

Computer	$ 329,231
Furniture & fixtures	158,429
Equipment	54,992
Leasehold improvements	31,580
	574,232
Less accumulated depreciation and amortization	(467,570)
	$ 106,662

Depreciation and amortization expense for the year ended December 31, 2024 was $86,665.

Note 5 - Accrued Liabilities

Accrued liabilities as of December 31, 2024, consist of the following:

Accrued payroll and related taxes	$ 443,872
Accrued vacation	256,127
Accrued 401K match	125,000
Accrued expenses	81,800
Accrued bonus	52,000
Accrued income taxes	15,844
	$ 974,643

Note 6 - Contract Liabilities

Contract liabilities consist of the following as of:

	December 31, 2024	January 1, 2024
Retainers received	$ 55,433	$ 47,353
Progress billings	904,681	890,919
	$ 960,114	$ 938,272

Note 7 - Income Taxes

Deferred tax assets and liabilities consist of the following components as of December 31, 2024:

Deferred Tax Assets (Liabilities)	
Property and equipment	$ (558)
Allowance for credit losses	34,488
Accruals	1,797,539
Net operating loss carryforward	218,454
ROU assets and liabilities	15,818
Less valuation allowance	(1,425,000)
	$ 640,741

The provision for income taxes charged to income for the year ended December 31, 2024, consists of the following:

Deferred Tax Assets (Liabilities)	
Property and equipment	$ (558)
Allowance for credit losses	34,488
Accruals	1,797,539
Net operating loss carryforward	218,454
ROU assets and liabilities	15,818
Less valuation allowance	(1,425,000)
	$ 640,741

The Company's effective income tax rate is higher than what would be expected if the federal statutory rate were applied to income from continuing operations primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes and tax-exempt income.

As of December 31, 2024, the Company had federal and state net operating loss carryovers of approximately $6,700,000 and $5,700,000, respectively. If not utilized, the pre-2018 federal net operating loss carryforwards expire in varying amounts between 2031 and 2037. The federal net operating losses generated after 2018 do not expire and may be carried forward indefinitely. For the state of California, net operating losses generated between 2013 and 2018 may be carried back 2 years or carried forward 20 years. The 2-year carryback is no longer allowed in California from 2019 and after. If not utilized, the pre-2019 California net operating loss carryforwards expire in varying amounts between 2033 and 2038. The California net operating losses generated after 2019 expire between 2039 and 2042.

In 2024, the valuation allowance is estimated at $1,425,000, and is comprised of allowances due to the uncertainty of net operating loss carryforwards.

Note 8 - Related Party Transactions

Accounts Receivable, Related Parties

As of December 31, 2024, the Company has accounts receivable from various related parties totaling $1,220,431 The amounts are incurred in the ordinary course of business and are expected to be received in 2025.

Accounts Payable, Related Parties

As of December 31, 2024, the Company has short-term accounts payable due to various related parties totaling $317,733. The amounts are incurred in the ordinary course of business and are expected to be paid in 2025.

As of December 31, 2024, the Company has long-term accounts payable due to various related parties totaling $5,323,635.

Note Payable, Related Party

Note payable, related party as of December 31, 2024, consist of the following:

Prime (7.50% as of December 31, 2024) + 1.00% note payable from FCS Global Corp. No defined payment terms. Payable upon agreement of mutual parties.	$ 597,703

For the year ended December 31, 2024, related party interest totaled $43,376.

Transactions with Related Parties

During the year ended December 31, 2024, the Company had the following transactions with these related parties. A summary of transactions as of December 31, 2024, and for the year ended immediately follows.

ADEC Solutions USA

ADEC Solutions USA ("ADEC USA") is a related party of the Company, under common management and control. ADEC USA is a corporation registered in the State of New York. The Company has a mutual service agreement with ADEC USA. Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support. ADEC USA has also advanced the Company certain cash advances for working capital needs. The agreement expired in January 2025, but was renewed for 3 years.

ADEC Solutions LTD

ADEC Solutions LTD ("ADEC LTD") is a related party of the Company, under common management and control. ADEC LTD is a corporation registered in the United Kingdom. The Company has a mutual service agreement with ADEC LTD. Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support. The agreement expired in October 2024, but was renewed in January 2025 and is set to expire in January 2028.

ADEC Innovations, LTD

ADEC Innovations, LTD ("ADEC Innovations LTD") is a related party of the Company, under common management and control. ADEC Innovations LTD is a corporation registered in Bermuda. The Company has a mutual service agreement with ADEC Innovations LTD. Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support. ADEC Innovations LTD has also advanced the Company certain cash advances for working capital needs. The agreement expires in September 2025.

ADEC Innovations Pty LTD

ADEC Innovations Pty LTD ("ADEC Innovations Pty") is a related party of the Company, under common management and control. ADEC Innovations Pty is a corporation registered in Australia. The Company has a mutual service agreement with ADEC Preview. Services include, but are not limited data and document management, business process outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support, research, publications, scanning, reproducing and other support services. The agreement expires March 2026.

Envirosite

Envirosite is a related party of the Company, under common management and control. Envirosite is a corporation registered in Delaware. The Company has a mutual service agreement with Envirosite. Services include, but are not limited to environmental reporting services, software support and management support. The agreement expired August 2022, but was automatically renewed for an additional 12-month term, up to sixty additional months in total.

FCS Global
FCS Global is a related party of the Company, under common management and control. FCS Global is a corporation registered in Manilla. FCS Global has loaned the Company funds for working capital needs.

Cameron Cole
Cameron Cole is a related party of the Company, under common management and control. Cameron Cole is a corporation registered in Colorado. The Company has a mutual service agreement with Cameron Cole. Services include but are not limited to business and management consulting and remediation services. The agreement expires December 2027.

ADEC Innovations Corporation (Formerly F-I-R-S-T Carbon Solutions Corporation)
ADEC Innovations Corporation ("ADEC Innovations Corp") is a related party of the Company, under common management and control. ADEC Innovations Corp is registered in Makati City, Philippines. The Company has a master service agreement with ADEC Innovations Corp (formerly F-I-R-S-T Carbon Solutions Corporation). Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support.

ADEC Information Knowledge Management Corporation
ADEC Information Knowledge Management Corporation ("ADEC IKMC") is a related party of the Company, under common management and control. ADEC IKMC is a corporation registered in the Philippines. The Company has a mutual service agreement with ADEC IKMC. Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support. The agreement expired in April 2020, but is automatically renewed for an additional 12-month term, up to 48 additional months in total. There were no transactions with this entity in 2024.

Data Integrity Solutions, Inc.
Data Integrity Solutions, Inc. ("Data Integrity") a related party of the Company, under common management and control. Data Integrity a corporation registered in Delaware. The Company has a mutual service agreement with Data Integrity. Services include but are not limited to business and management consulting and specialized services. The agreement expired October 2022, but was automatically renewed for an additional 12-month term, up to sixty additional months in total. There were no transactions with this entity in 2024.

First Carbon Solutions LTD
First Carbon Solutions LTD ("FCS LTD") is a related party of the Company, under common management and control. FCS LTD is a corporation registered in Hong Kong. There were no transactions with this entity in 2024.

ADEC Innovations Co LTD
ADEC Innovations Co LTD ("ADEC Co LTD") is a related party of the Company, under common management and control. ADEC Co LTD is a corporation registered in Malta. The Company has a master service agreement with ADEC Co LTD. Services include, but are not limited data and document management, business process outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support, research, publications, scanning, reproducing and other support services. The agreement expires February 2025. There were no transactions with this entity in 2024.

A summary of related party transactions:

As of and for the year ended December 31, 2024:

	Related Parties								
	ADEC USA	ADEC LTD	ADEC Innovations LTD	ADEC Innovations PTY	Envriosite	FCS Global	Cameron Cole	ADEC Innovations Corp	Total
Balance Sheet									
Accounts receivable	$ 1,922	$ 1,576	$ -	$ -	$ 34,975	$ -	$ 1,181,958	$ -	$ 1,220,431
Accounts payable	188,011	114,267	4,383,594	-	-	-	563,605	391,891	5,641,368
Note payable	-	-	-	-	-	597,703	-	-	597,703
Due to related parties	65,000	-	713,000	-	-	-	(23,000)	-	755,000
Revenues	39,536	-	-	16,143	425,223	-	496,390	-	977,292
Expenses	180,235	16,306	587,841	221,166	547,239	-	316,397	-	1,869,184

Note 9 - Leases

The Company leases certain office facilities for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2028 and provide for renewal options for a period of five years. The Company included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on defined increases in the agreements. Also, the agreements generally require the Company to pay real estate taxes, insurance, and repairs.

Total lease costs for the year ended December 31, 2024 were as follows:

Operating lease cost	$ 235,071
Short-term lease cost	$ 15,797

The following table summarizes the supplemental cash flow information for the year ended December 31, 2024:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating cash flows from operating leases	$ 244,930

The following summarizes the weighted-average remaining lease term and weighted-average discount rate at December 31, 2024:

Weighted-Average Remaining Lease Term	
Operating leases	2.95 Years
Weighted-Average Discount Rate	
Operating leases	3.74%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below:

December 31,	Operating
2025	$ 251,966
2026	258,757
2027	212,245
2028	27,156
Total lease payments	750,124
Less interest	(49,326)
Present value of lease liabilities	$ 700,798

Note 10 - Commitments and Contingencies

Litigation

The Company has filed a lawsuit against a former client for breach of contract, seeking $902,000 in damages related to unpaid invoices for services rendered between January and May 2024, as well as attorneys' fees. Arbitration is scheduled for October 2025. The Company's in-house legal counsel considers the likelihood of FCS prevailing on the merits to be very high. As of December 31, 2024, a reserve has been recorded within contract liabilities to mitigate the impact of the unpaid invoiced amount.

Note 11 - Retirement Plans

The Company maintains a 401(k) plan (the "Plan") that covers substantially all employees. The Plan has a 401(k) provision, which allows the employees to contribute a portion of their wages. At the discretion of the Board of Directors, the Company may make discretionary matching and profit-sharing contributions to the Plan. For the year ended December 31, 2024, the Company made matching and profit-sharing contributions of $125,000 and $0, respectively to the Plan all of which was accrued for in the accompanying balance sheet.

Note 12 - Subsequent Events

In March 2025, the Company entered into a mutual services agreement with a new related party for to provide IT resources including software application and general IT support. The agreement expires March 2028.

The Company has evaluated subsequent events through April 15, 2025, the date which the financial statements were available to be issued.

Appendix 5 – FCS International, Inc.

Audited Financial Statements
December 31, 2023

Financial Statements
December 31, 2023

FCS International, Inc.

EideBailly

eidebailly.com

Independent Auditor's Report 1

Financial Statements

Balance Sheet 3
Statement of Operations 4
Statement of Stockholder's Deficit 5
Statement of Cash Flows 6
Notes to Financial Statements 7

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
FCS International, Inc.
Irvine, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FCS International, Inc. which comprise the balance sheet as of December 31, 2023, and the related statements of operations, stockholder's deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above presents fairly, in all material respects, the financial position of FCS International, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of FCS International, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FCS International, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 FCS International, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FCS International, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Eide Bailly LLP

Tustin, California
September 18, 2024

Assets	
Current Assets	
Cash and cash equivalents	$ 558,079
Accounts receivable, net	2,322,401
Accounts receivable, related parties	694,416
Prepaid expenses and other current assets	318,951
Total current assets	3,893,847
Right of Use Assets - Operating Leases	578,467
Property and Equipment, Net	170,261
Deferred Tax Asset	763,829
Total assets	$ 5,406,404
Liabilities	
Current Liabilities	
Accounts payable	$ 852,219
Accounts payable - related parties	2,202,771
Accrued liabilities	969,898
Contract liabilities	102,457
Current maturities of operating lease liability	176,824
Total current liabilities	4,304,169
Long-Term Liabilities	
Note payable, related party	554,327
Due to related parties	675,000
Operating lease liability, less current maturities	468,027
Accounts payable - related parties	2,518,730
Total long-term liabilities	4,216,084
Total liabilities	8,520,253
Commitments and Contingencies	
Stockholder's Deficit	
Common stock	13,600
Additional paid-in capital	3,457,420
Accumulated deficit	(6,584,869)
Total stockholder's deficit	(3,113,849)
	$ 5,406,404

Revenue	$ 14,613,238
Cost of Revenue	7,242,603
Gross Profit	7,370,635
Selling, General and Administrative Expenses	8,427,659
Loss from Operations	(1,057,024)
Other Income (Expenses)	
Realized loss on foreign currency translation	(248)
Interest expense	(44,014)
Total other income (expense)	(44,262)
Net Loss Before Income Taxes	(1,101,286)
Benefit from Income Taxes	(201,628)
Net Loss	$ (899,658)

	Shares Issued and Outstanding	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Deficit
Balance - January 1, 2023					
Common stock, no par value 10,000,000 shares authorized 11,000 shares issued and outstanding	11,000	$ 13,600	$ 3,457,420	$ (5,685,211)	$ (2,214,191)
Net Loss	-	-	-	(899,658)	(899,658)
Balance, December 31, 2023	11,000	$ 13,600	$ 3,457,420	$ (6,584,869)	$ (3,113,849)

Operating Activities	
Net loss	$ (899,658)
Adjustments to reconcile net loss to net cash flows used for operating activities	
Credit losses	(25,023)
Depreciation and amortization	95,503
Accrued interest on note payable, related party	44,014
Deferred tax assets	(167,029)
Changes in assets and liabilities	
Accounts receivable	(501,664)
Accounts receivable, related parties	(487,005)
Prepaid expenses and other current assets	(136,473)
Operating lease assets and liabilities	20,066
Accounts payable	286,762
Accounts payable - related parties	555,318
Accrued liabilities	(298,680)
Contract liabilities	(121,972)
Net Cash Flows used for Operating Activities	(1,635,841)
Investing Activities	
Purchase of property and equipment	(110,428)
Net Cash Flows used for Investing Activities	(110,428)
Financing Activities	
Cash advances to related parties	(500,000)
Repayments received on cash advances to related parties	592,000
Net Cash Flows from Financing Activities	92,000
Net Change in Cash and Cash Equivalents	(1,654,269)
Cash and Cash Equivalents, Beginning of the Year	2,212,348
Cash and Cash Equivalents, End of the Year	$ 558,079

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

FCS International, Inc., (the "Company") is incorporated in California as a corporation. The Company operates under the ADEC Innovations umbrella and provides environmental, sustainability, and compliance solutions, delivering fully-integrated consulting, software, and data management services to its customers. The Company's principal markets are developers, governmental and commercial businesses. As an ADEC Innovations organization, the Company is focused on improving the world we live in by advancing sustainable practices globally. The Company grants credit to its customers, substantially all of whom are located in California.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2023, the Company had $328,811 in excess of FDIC-insured limits.

As of and for the year ended December 31, 2023, there were no customers who represented 10% or more of accounts receivable and revenue.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an original maturity of three month or less.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are generally due when billed. Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount billed to the customer. The Company does not charge interest on overdue customer account balances. Payments on accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at December 31, 2023 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at December 31, 2023 totaled $137,140.

Changes in the allowance for credit losses for receivables are as follows for the year ended December 31, 2023:

Allowance for Credit Losses, Beginning of Year	$ 162,163
Impact of adoption Topic 326	-
Provision for credit losses	13,915
Charge-offs	(16,500)
Recoveries	(22,438)
Allowance for Credit Losses, End of Year	$ 137,140

Property and Equipment

Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation and amortization are eliminated from the accounts and the resultant gain or loss is reflected in operations.

Depreciation and amortization is provided using the straight-line method, based on useful lives of the assets which are generally as follows:

Computer	5 years
Furniture & fixtures	5 – 7 years
Equipment	7 – 10 years
Leasehold improvements	Lesser of useful life or term of lease

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at December 31, 2023.

Income Taxes

Income taxes are provided for the tax effects of transactions reporting in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, property and equipment, and accrued expenses for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2023, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Revenue Recognition

The Company recognizes revenue over time in an amount that reflects the expected consideration received in exchange for those goods or services. These services are sold under time-and-materials contracts. Revenue under time-and-materials contracts is recognized on the basis of actual time incurred multiplied by the billable hourly rate stated in the contract, plus direct expenses incurred.

The following summarizes the Company's major contract types:

Fixed-Price Contracts
Fixed price contracts include both lump-sum and fixed-unit price contracts. Under lump-sum contracts, the Company performs all the work under the contract for a specified fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. Under fixed-unit price contracts, the Company performs a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of unites delivered. Revenue is recognized for fixed-price modified by incentive and penalty provisions contracts using the input method on a cost-to-cost basis.

Time and Materials, Unit Price and Cost-Plus
The revenue for time and materials, unit price and cost-plus contracts are recognized when service is provided to the customer.

Contract assets represent revenue recognized in excess of amounts billed. Contract liabilities represent billings in excess of revenue recognized.

Advertising

Advertising expenses are charged to expense as incurred. For the year ended December 31, 2023, advertising expense amounted to $96,217.

Foreign Currency Transactions

The U.S. dollar is the Company's functional currency. Transactions denominated in currency other than the Company's functional currency are recorded upon initial recognition at the exchange rate on the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are remeasured at each reporting date into the foreign currency at the exchange rate on that date. Exchange rate differences, other than those accounted for as hedging transactions, are recognized as foreign currency transaction gain or loss included in the Company's statement of operations.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standard

As of January 1, 2023, the Company adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – *Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including accounts and loan receivables, and held to maturity debt securities. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The update also requires that credit losses on available-for-sale debt securities be presented as an allowance rather than a write-down of the security. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

The Company adopted ASU 2016-13 using the modified retrospective review method for all financial assets measured at amortized cost. Results for reporting periods beginning after January 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. As a result of the adoption of the new credit loss guidance, there was no cumulative effect adjustment to retained earnings. The adoption of the new standard did not materially impact the Company's statement of operations or statement of cash flows.

Subsequent Events

The Company has evaluated subsequent events through September 18, 2024, the date which the financial statements were available to be issued.

Note 2 - Accounts Receivable, Net

Accounts receivable, net consist of the following as of:

	December 31, 2023	January 1, 2023
Accounts receivable	$ 2,459,541	$ 1,957,877
Allowance for credit losses	(137,140)	(162,163)
	$ 2,322,401	$ 1,795,714

Note 3 - Property and Equipment, Net

Property and equipment, net as of December 31, 2023, consist of the following:

Computer	$ 311,136
Furniture & fixtures	158,429
Equipment	50,022
Leasehold improvements	31,580
	551,167
Less accumulated depreciation and amortization	(380,906)
	$ 170,261

Depreciation and amortization expense for the year ended December 31, 2023 was $95,503.

Note 4 - Accrued Liabilities

Accrued liabilities as of December 31, 2023, consist of the following:

Accrued payroll and related taxes	$ 339,874
Accrued vacation	206,398
Accrued 401K match	200,000
Accrued bonus	150,000
Accrued expenses	73,626
	$ 969,898

Note 5 - Contract Liabilities

Contract liabilities consist of the following as of:

	December 31, 2023	January 1, 2023
Retainer liability	$ 47,353	$ -
Progress billings	55,104	224,429
	$ 102,457	$ 224,429

Note 6 - Note Payable, Related Party

Note payable, related party as of December 31, 2023, consisted of the following:

Prime (8.50% as of December 31, 2023) + 1.00% note payable from FCS Global Corp. No defined payment terms. Payable upon agreement of mutual parties.	$ 554,327

For the year ended December 31, 2023, related party interest totaled $44,014.

Note 7 - Income Taxes

Deferred tax assets and liabilities consist of the following components as of December 31, 2023:

Deferred Tax Assets (Liabilities)	
Property and equipment	$ (2,932)
Contribution carryover	695
Allowance for credit losses	77,467
Accruals	223,412
Net operating loss carryforward	2,009,277
ROU assets and liabilities	18,577
Less valuation allowance	(1,562,667)
	$ 763,829

The benefit from income taxes charged to income for the year ended December 31, 2023, consists of the following:

Current	$ 1,100
Deferred	(167,029)
Prior year (over) accrual	(35,699)
	$ (201,628)

The Company's effective income tax rate is lower than what would be expected if the federal statutory rate were applied to income from continuing operations primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes and tax-exempt income.

As of December 31, 2023, the Company had federal and state net operating loss carryovers of approximately $7,000,000 and $6,100,000, respectively. If not utilized, the pre-2018 federal net operating loss carryforwards expire in varying amounts between 2031 and 2037. The federal net operating losses generated after 2018 do not expire and may be carried forward indefinitely. For the state of California, net operating losses generated between 2013 and 2018 many be carried back 2 years or carried forward 20 years. The 2-year carryback is no longer allowed in California from 2019 and after. If not utilized, the pre-2019 California net operating loss carryforwards expire in varying amounts between 2033 and 2038. The California net operating losses generated after 2019 expire between 2039 and 2042.

In 2023, the valuation allowance is estimated at $1,562,667, and is comprised of allowances due to the uncertainty of net operating loss carryforwards.

Note 8 - Related Party Transactions

Accounts Receivable, Related Parties

As of December 31, 2023, the Company has accounts receivable from various related parties totaling $694,416. The amounts are incurred in the ordinary course of business and are expected to be received in 2024.

Accounts Payable, Related Parties

As of December 31, 2023, the Company has short-term accounts payable due to various related parties totaling $2,202,771. The amounts are incurred in the ordinary course of business and are expected to be paid in 2024.

As of December 31, 2023, the Company has long-term accounts payable due to various related parties totaling $2,518,730. These amounts are not expected to be paid in 2024 and are therefore classified as long term in the accompanying balance sheet.

Note Payable, Related Party

As of December 31, 2023, the Company has a note payable due to a related party totaling $554,327. The note bears interest at prime + 1% and is not expected to be paid in 2024 and are therefore classified as long term in the accompanying balance sheet. See Note 6.

Transactions with Related Parties

During the year ended December 31, 2023, the Company had the following transactions with these related parties. A summary of transactions as of December 31, 2023, and for the year ending immediately follows.

ADEC Solutions USA
ADEC Solutions USA ("ADEC USA") is a related party of the Company, under common management and control. ADEC USA is a corporation registered in the State of New York. The Company has a mutual service agreement with ADEC USA. Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support. ADEC USA has also advanced the Company certain cash advances for working capital needs. The agreement expires in January 2025.

ADEC Solutions LTD
ADEC Solutions LTD ("ADEC LTD") is a related party of the Company, under common management and control. ADEC LTD is a corporation registered in the United Kingdom. The Company has a mutual service agreement with ADEC LTD. Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support. The agreement expires in October 2024.

ADEC Innovations, LTD
ADEC Innovations, LTD ("ADEC Innovations LTD") is a related party of the Company, under common management and control. ADEC Innovations LTD is a corporation registered in Bermuda. The Company has a mutual service agreement with ADEC Innovations LTD. Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support. ADEC Innovations LTD has also advanced the Company certain cash advances for working capital needs. The agreement expires in September 2025.

ADEC Innovations Pty LTD
ADEC Innovations Pty LTD ("ADEC Innovations Pty") is a related party of the Company, under common management and control. ADEC Innovations Pty is a corporation registered in Australia. The Company has a mutual service agreement with ADEC Preview. Services include, but are not limited data and document management, business process outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support, research, publications, scanning, reproducing and other support services. The agreement expires March 2026.

ADEC Innovations Co LTD
ADEC Innovations Co LTD ("ADEC Co LTD") is a related party of the Company, under common management and control. ADEC Co LTD is a corporation registered in Malta. The Company has a master service agreement with ADEC Co LTD. Services include, but are not limited data and document management, business process outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support, research, publications, scanning, reproducing and other support services. The agreement expires February 2025.

Envirosite

Envirosite is a related party of the Company, under common management and control. Envirosite is a corporation registered in Delaware. The Company has a mutual service agreement with Envirosite. Services include, but are not limited to environmental reporting services, software support and management support. The agreement expired August 2022, but was automatically renewed for an additional 12-month term, up to sixty additional months in total.

Cameron Cole

Cameron Cole is a related party of the Company, under common management and control. Cameron Cole is a corporation registered in Colorado. The Company has a mutual service agreement with Cameron Cole. Services include but are not limited to business and management consulting and remediation services. The agreement expires December 2024.

Data Integrity Solutions, Inc.

Data Integrity Solutions, Inc. ("Data Integrity") a related party of the Company, under common management and control. Data Integrity a corporation registered in Delaware. The Company has a mutual service agreement with Data Integrity. Services include but are not limited to business and management consulting and specialized services. The agreement expired October 2022, but was automatically renewed for an additional 12-month term, up to sixty additional months in total.

First Carbon Solutions LTD

First Carbon Solutions LTD ("FCS LTD") is a related party of the Company, under common management and control. FCS LTD is a corporation registered in Hong Kong.

ADEC Innovations Corporation (Formerly F-I-R-S-T Carbon Solutions Corporation)

ADEC Innovations Corporation ("ADEC Innovations Corp") is a related party of the Company, under common management and control. ADEC Innovations Corp is registered in Makati City, Philippines. The Company has a master service agreement with ADEC Innovations Corp (formerly F-I-R-S-T Carbon Solutions Corporation). Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support.

ADEC Information Knowledge Management Corporation

ADEC Information Knowledge Management Corporation ("ADEC IKMC") is a related party of the Company, under common management and control. ADEC IKMC is a corporation registered in the Philippines. The Company has a mutual service agreement with ADEC IKMC. Services include, but are not limited to data and document management, business processing outsourcing, software as a solution, internal management and infrastructure, marketing, IT and infrastructure support. The agreement expired in April 2020, but is automatically renewed for an additional 12-month term, up to 48 additional months in total.

FCS Global

FCS Global is a related party of the Company, under common management and control. FCS Global is a corporation registered in Manilla. FCS Global has loaned the Company funds for working capital needs.

A summary of related party transactions:

As of December 31, 2023:

	Related Parties									
	ADEC USA	ADEC LTD	ADEC Innovations LTD	ADEC Innovations PTY	Envirosite	FCS Global	Cameron Cole	Data Integrity	ADEC Innovations Corp	Total
Balance Sheet										
Accounts receivable	$ 2,013	$ 1,576	$ -	$ 2,015	$ 30,206	$ -	$ 658,606	$ -	$ -	$ 694,416
Accounts payable	$ 106,595	$ 104,025	$ 3,856,339	$ 34,655	$ 6,750	$ -	$ 220,246	$ 1,000	$ 391,891	$ 4,721,501
Note payable	$ -	$ -	$ -	$ -	$ -	$ 554,327	$ -	$ -	$ -	$ 554,327
Due to related parties	$ 65,000	$ -	$ 613,000	$ -	$ -	$ -	$ (3,000)	$ -	$ -	$ 675,000
Revenues	$ 40,035	$ -	$ -	$ -	$ 124,677	$ -	$ 173,223	$ -	$ -	$ 337,935
Expenses	$ 147,829	$ 155,849	$ 527,564	$ 170,222	$ 303,752	$ -	$ 325,740	$ -	$ -	$ 1,630,956

Note 9 - Leases

The Company leases certain office facilities for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2028 and provide for renewal options for a period of five years. The Company included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on defined increases in the agreements. Also, the agreements generally require the Company to pay real estate taxes, insurance, and repairs.

The Company elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

The Company has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Company elected the practical expedient to not separate lease and non-lease components for a real estate lease.

Total lease costs for the year ended December 31, 2023 were as follows:

Operating lease cost	$ 232,500
Short-term lease cost	$ 27,801

The following table summarizes the supplemental cash flow information for the year ended December 31, 2023:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating cash flows from operating leases	$ 213,116

The following summarizes the weighted-average remaining lease term and weighted-average discount rate at December 31, 2023:

Weighted-Average Remaining Lease Term	
Operating leases	46.7 Years
Weighted-Average Discount Rate	
Operating leases	3.44%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below:

December 31,	Operating
2024	$ 194,731
2025	150,602
2026	155,120
2027	159,773
2028	27,156
Total lease payments	687,382
Less interest	(42,531)
Present value of lease liabilities	$ 644,851

Note 10 - Commitments and Contingencies

Litigation

The Company, from time to time, is involved in certain legal matters which arise in the normal course of operations. Management believes, based in part on the advice of legal counsel, that the resolution of such matters will not have a material adverse effect on the financial position of the Company.

Note 11 - Retirement Plans

The Company maintains a 401(k) plan (the "Plan") that covers substantially all employees. The Plan has a 401(k) provision, which allows the employees to contribute a portion of their wages. At the discretion of the Board of Directors, the Company may make discretionary matching and profit-sharing contributions to the Plan. For the year ended December 31, 2023, the Company made matching and profit-sharing contributions of $200,000 and $0, respectively to the Plan all of which was accrued for in the accompanying balance sheet.