



2025

JSC Micro Bank MBC

Financial Statements

For the year ended 31 December 2025

Together with Independent Auditors' Report

(Translated from the Original Georgian Version)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Supervisory Board of JSC Micro Bank MBC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JSC Micro Bank MBC (hereinafter "Micro bank"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Micro Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with *International Standards on Auditing* (ISA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Micro Bank in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Georgia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Matter

Adjustment of the comparative information

As part of our audit of the financial statements for the year ended 31 December 2025, we have also audited the adjustments presented in Note 6 to the financial statements, which were applied to amend the financial statements for the year ended 31 December 2024. In our opinion, such adjustments are appropriate and have been properly applied. The audit procedures performed on the comparative information are limited to those adjustments. Our opinion is not modified in respect of this matter.

Audited Statement of the Prior Period - The financial statements for the year ended December 31, 2024 were audited by another auditor, who issued an unmodified opinion on May 29, 2025.

Other information

The management is responsible for the preparation of other information, which is given in the management report. Other information was not provided until the date of auditor's opinion. Our opinion on financial statements does not cover abovementioned other information. The management report is expected to be available to us after the date of auditor's opinion. In preparing the financial statements, we are responsible to review the above-mentioned other information and assess whether it is materially inconsistent with the financial statements or with evidence obtained during the audit or gives the impression that it is materially misstated. If based on our work performed, we conclude that other information is materially misstated, we are obliged to disclose this information.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Micro Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Micro Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Micro Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner responsible for the audit resulting in this independent auditor's report is:

Ana Gbedava, Engagement Partner (SARAS-A-518332)

Nexia Georgia LLC (SARAS-F-550338)

31 March 2026

Tbilisi, Georgia

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Supervisory Board of JSC Micro Bank MBC

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Ana Gabedava, Engagement Partner (SARAS-A-518332)

Nexia Georgia LLC (SARAS-F-550338)

31 March 2026

Tbilisi, Georgia



JSC Micro Bank MBC
Statement of Financial Position
For the year ended 31 December 2025
(In thousands of Georgian Lari)

	Notes	31 December 2025	31 December 2024 *(Restated)
Assets			
Cash and cash equivalents	7	21,650	16,039
Mandatory cash balances in NBG	8	9,048	-
Loans to customers	9	153,239	119,464
Other assets	10	1,105	714
Deferred tax asset	11	280	74
Tax asset		-	-
Intangible assets		891	659
Right of use assets	12	4,715	5,102
Property and equipment	13	2,668	2,951
Total assets		193,596	145,003
Liabilities and equity			
Liabilities			
Subordinated borrowings and other borrowed funds		-	-
Borrowed funds	15	88,573	78,203
Customer accounts	14	3,183	-
Subordinated borrowings	15	5,335	5,461
Debt securities issued by the entity	15	60,834	30,041
Lease liability	12	4,901	5,475
Deferred tax liability	11	-	-
Tax payable		199	423
Other liabilities	16	1,999	2,159
Total liabilities		165,024	121,762
Equity			
Share capital	17	2,314	2,255
Share premium	17	1,623	1,136
Preference shares	17	7,209	6,989
Retained earnings		17,426	12,861
Total equity		28,572	23,241
Total liabilities and equity		193,596	145,003

*Certain amounts presented do not correspond to the 2024 financial statements and are reflected after the restatements presented in Note 6.

The financial statements were approved and authorized for issue by Management on 31 March 2026 and were signed on its behalf by the general director:

Gia Petriashvili
Tbilisi, Georgia

JSC Micro Bank MBC
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For the year ended 31 December 2025
(In thousands of Georgian Lari)

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Tbilisi, Georgia



The notes on pages 9-43 form an internal part of this financial statement.

JSC Micro Bank MBC
Statement of Profit or Loss and other Comprehensive Income
For the year ended 31 December 2025
(In thousands of Georgian Lari)

	Notes	31 December 2025	31 December 2024 *(Restated)
Interest income	18	37,011	30,282
Interest expense	18	(14,181)	(11,286)
Net interest income before impairment		22,830	18,996
Impairment losses on debt financial assets	9	125	(2,138)
Net interest income		22,955	16,858
Fee and commission income		2,932	2,980
Net foreign exchange (loss)/gain		(3,834)	(2,050)
Net gain/(loss) from trading in foreign currency		1,506	1,112
Personnel expenses		(11,844)	(9,383)
Depreciation and amortization		(2,191)	(2,047)
Other operating expenses	19	(3,415)	(2,998)
Other operating income		452	-
Profit before tax		6,561	4,472
Income tax expense		(1,095)	(942)
Total comprehensive income		5,466	3,530

The financial statements were approved and authorized for issue by Management on 31 March 2026 and were signed on its behalf by the general director:

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JSC Micro Bank MBC
Statement of Changes in Equity
For the year ended 31 December 2025
(In thousands of Georgian Lari)

	Share Capital	Share Premium	Preference Shares	Retained Earnings	Total
At 31 December 2023	2,255	1,136	6,989	10,197	20,577
Profit for the year	-	-	-	3,530	3,530
Dividends declared	-	-	-	(866)	(866)
At 31 December 2024	2,255	1,136	6,989	12,861	23,241
Issuance of share capital	59	-	-	-	59
Additional Paid-in Capital	-	487	-	-	487
Issuance of Preferred Stock	-	-	220	-	220
Profit for the year	-	-	-	5,466	5,466
Dividends declared	-	-	-	(901)	(901)
At 31 December 2025	2,314	1,623	7,209	17,426	28,572

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JSC Micro Bank MBC
Statement of Cash Flows
For the year ended 31 December 2025
(In thousands of Georgian Lari)

	Notes	2025	2024
Cash Flows from Operating Activities			
Profit before tax		6,561	4,472
Adjustments for:			
Impairment losses on debt financial assets		(125)	2,138
Net changes in interest accruals	9	(338)	(264)
Modification of contractual cash flows of financial assets	9	(144)	(94)
Depreciation and amortization		2,191	2,047
Derecognition of lease contract	12	(119)	-
Bonus and other accruals		1,457	1,117
Impairment of repossessed property		-	309
Interest expense	12; 15	14,136	11,420
Net foreign exchange loss/(gain)		3,834	2,050
Cash Inflows from Operating Activities Before Changes In Working Capital		27,453	23,195
Changes in operating assets and liabilities:			
Loans to customers	9	(33,199)	(20,284)
Increase of mandatory reserve in NBG	8	(9,069)	-
Increase in current accounts and deposits	14	3,195	-
Other assets	10	(1,269)	1,332
Tax assets/liabilities		(220)	(82)
Other liabilities		(1,166)	(468)
Cash outflow from operating activities before interest and taxation		(14,275)	3,693
Income tax paid		(1,301)	(1,067)
Interest payments		(11,480)	(10,520)
Interest paid on lease liabilities		(482)	(417)
Net cash outflow from operating activities		(27,538)	(8,311)
Cash Flows from Investing Activities			
Purchase of property and equipment		(281)	(747)
Purchase of intangible assets		(440)	(423)
Net Cash Outflows from Investing Activities		(721)	(1,170)
Cash Flows from Financing Activities			
Receipts of borrowed funds	15	99,359	203,060
Repayment of borrowed funds	15	(58,343)	(181,804)
Lease liabilities paid	12	(1,308)	(1,231)
Dividends paid		(901)	(866)
Net Cash Inflows from Financing Activities		38,807	19,159
Changes of Cash and Cash Equivalents, Net		10,548	9,678
Cash and cash equivalents at the beginning of the period	6	16,039	6,286
The effects of changes in foreign exchange rates on cash and cash equivalents		(4,937)	75
Cash and Cash Equivalents for The End Of The Year		21,650	16,039

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1. GENERAL INFORMATION

Micro Bank

After 12 years of successful operation in the market as a microfinance organization, the company obtained a Microbank License from the National Bank of Georgia on December 5, 2024, becoming the first microbank in Georgia. Following the acquisition of this license, the company continues its operations under the trade name JSC Microbank "MBC", Identification Code: 404967078 (hereinafter referred to as the "Company" or "Microbank").

Under the supervision of the National Bank of Georgia, prior to obtaining the license, the Company's activities were based on the legislative requirements provided by the Law of Georgia "On Microfinance Organizations," while after receiving the microbank license, "MBC" conducts its activities in accordance with the legislative acts regulating microbanks. The Company's goal is to provide clients with accessible financial services tailored to their needs, increase access to credit products for small and medium-sized businesses, and maintain long-term, transparent relationships with clients, while contributing to the sustainable development of the economy through social responsibility.

The supreme governing body of the Company is the General Meeting of Shareholders. The Supervisory Board is responsible for corporate governance and oversees the Company's activities; its members are elected by the General Meeting of Shareholders. Daily operations are carried out by the Directorate, which is responsible for the successful implementation of the Company's strategic goals. Each member of the Directorate is collectively responsible for the Microbank's activities to the Supervisory Board, which, in turn, appoints the members of the Directorate.

The Microbank is fully owned by the members of the "Shareholder Group." There is no single controlling party of the Microbank as of December 31, 2025, and 2024. This is discussed in detail in Note 14.

The Company is represented across Georgia by 17 service centers. The average number of Microbank employees for the year ended December 31, 2025, was 284. As of December 31, 2025, the Company employed 290 people, of which: senior management - 4 employees, middle management - 41 employees, and other employees - 245 employees. All employees, except for one, are employed full-time. The head office of the Microbank is located at 68 Ketevan Dedofali Ave, Tbilisi, Georgia. The General Director of the Microbank is Gia Petriashvili.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations (collectively "IFRS Standards") issued by the International Accounting Standards Board (IASB).

The functional currency of the Microbank is the Georgian Lari (GEL), which is the national currency of Georgia. The Lari also serves as the presentation currency for the purposes of these financial statements.

The Microbank's reporting period covers the calendar year from January 1 to December 31.

Monetary figures in the financial statements are rounded to the nearest thousand Lari, unless otherwise indicated.

The preparation of financial statements in accordance with IFRS Standards requires certain estimates and judgments. It also requires the management of the Microbank to exercise professional judgment to formulate and adopt the most reasonable accounting estimates. Significant areas that were evaluated during the preparation of the financial statements and their effects are provided in Note 4. A review of material accounting policies is provided in Note 3.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial assets and liabilities measured at fair value through profit or loss.

2. BASIS OF PREPARATION (CONTINUED)

Going concern

The financial statements have been prepared on the basis of the Microbank as a going concern, assuming that the Microbank will continue to function in the foreseeable future. The management and founders are committed to developing the Microbank in Georgia. Management assesses that the application of the going concern principle is appropriate for the Microbank.

Adoption of new or revised standards and interpretations

A) New standards, interpretations, and amendments effective after January 1, 2025:

Lack of Exchangeability (Amendment to IAS 21): The amendments provide requirements for assessing when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

B) Standards and amendments effective from January 1, 2026

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The amendments relate to the following requirements in IFRS 9 and IFRS 7:

Derecognition of Financial Liabilities:

- Derecognition of financial liabilities settled through electronic transfers;

Classification of Financial Assets:

- Key elements of basic lending arrangements (solely payments of principal and interest – “SPPI test”);
- Contractual terms that change the timing or amount of cash flows;
- Financial assets with non-recourse features;
- Investments in contractually linked instruments.

Disclosures:

- Investments in equity instruments designated at fair value through other comprehensive income;
- Contractual terms that may change the timing or amount of contractual cash flows.

Annual Improvements to IFRS Standards: Annual improvements are limited to amendments that clarify the wording of IFRS Standards or correct minor unintended consequences.

- Minor clarifications and improvements relate to the following standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (e.g., hedge accounting, derecognition of lease liabilities).

Contracts Referencing Nature-dependent Electricity (formerly Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7).

The amendments include:

- Clarification of the application of the “own use” requirements;
- Permission to apply hedge accounting when such contracts are used as hedging instruments;
- Introduction of new disclosure requirements to enable investors to understand the effect of these contracts on the entity’s financial performance and cash flows.

c) Standards and amendments effective from 1 January 2027

IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18, issued by the IASB on 9 April 2024, introduces significant new requirements on how financial statements are presented, with particular focus on:

- The statement of profit or loss, including requirements to present defined subtotals;
- Aggregation and disaggregation of information, including general principles for structuring information in financial statements;
- Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on totals or subtotals required by IFRS Standards.

2. BASIS OF PREPARATION (CONTINUED)

IFRS 19 Subsidiaries without Public Accountability: Disclosures. On 9 May 2024, the IASB issued IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements of IFRS Standards. An entity is eligible to apply IFRS 19 if:

- It is a subsidiary;
- It does not have public accountability; and
- It has an ultimate or intermediate parent that prepares consolidated financial statements available for public use in accordance with full IFRS Standards.

The Company is currently assessing the potential impact of these amendments on its financial statements. However, the Company does not expect that these or other standards issued by the IASB but not yet effective will have a material impact on its financial position or results of operations.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Initial Recognition of Financial Instruments

Financial assets and financial liabilities are recognised in the Microbank's financial statements when the Microbank becomes a party to the contractual provisions of the instrument.

At initial recognition, financial instruments are measured at fair value adjusted for transaction costs that are directly attributable to the acquisition of a financial asset or the issuance of a financial liability, except for financial instruments measured at fair value through profit or loss.

If the transaction price differs from the fair value at initial recognition, the Microbank accounts for the difference as follows:

- If the fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only observable market inputs, the difference is recognised in profit or loss at initial recognition.
- In all other cases, the fair value is adjusted to the transaction price, and the difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the Microbank recognises this deferred difference in profit or loss when it becomes reasonably measurable or when the instrument is derecognised.

Financial Assets

Classification at Initial Recognition and Subsequent Measurement

Upon initial recognition, financial assets are classified into one of the following categories: measured subsequently at amortised cost, measured at fair value through other comprehensive income (FVOCI), or measured at fair value through profit or loss (FVTPL).

Amortised Cost

Financial assets measured at amortised cost represent the most significant category for the Microbank. A financial asset is measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses arising from derecognition, modification, or impairment of the asset are recognised in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss (FVTPL)

All financial assets that are not classified as measured at amortised cost or at FVOCI are measured at FVTPL. All financial assets of the Microbank are measured at amortised cost.

Assessment of the Business Model

In accordance with IFRS 9, there are three types of business models:

- Hold to collect contractual cash flows: The objective of this business model is to hold assets over their life to generate interest, principal, and other related cash flows.
- Hold to collect contractual cash flows and/or to sell: This business model is similar to the above, with the difference that the Microbank may decide to sell the assets or hold them for liquidity purposes before their maturity.
- Other: All models that do not meet the criteria of the above categories.

The assessment of the business model requires judgment based on the evaluation of facts and circumstances existing at the assessment date. The business model is not determined for individual financial instruments but at a higher level of aggregation, namely groups (portfolios) of financial instruments.

In assessing the business model, the Microbank considers the following information:

- The objectives and policies for the portfolio and how those policies are implemented in practice, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of financial assets with liabilities, or realizing cash flows through the sale of assets;
- How the performance of the portfolio is evaluated and reported to the Microbank's management;
- The risks that affect the performance of the business model (and the financial assets held within that model) and how those risks are managed;
- How managers of the business are compensated (e.g., whether compensation is based on the fair value of assets managed or on the contractual cash flows collected);
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales, and expectations about future sales activity. Although information about sales activity is not considered in isolation, it forms part of the overall assessment of how the Microbank's stated objective for managing financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed on a fair value basis are measured at fair value through profit or loss, as they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Solely Payments of Principal and Interest (SPPI)

If a financial asset is held within a business model whose objective is to collect contractual cash flows, or both to collect contractual cash flows and to sell financial assets, the Microbank must assess whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. The SPPI test is performed at the level of an individual financial instrument.

Contractual cash flows that are solely payments of principal and interest are consistent with a basic lending arrangement. Interest is defined as consideration for the time value of money and for the credit risk associated with the outstanding principal over a particular period. It may also include compensation for other basic lending risks (e.g., liquidity risk) and costs (e.g., administrative costs) associated with holding the financial asset over a period of time, as well as a profit margin.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Microbank evaluates the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that could change the timing or amount of contractual cash flows in a manner inconsistent with the SPPI condition.

If the SPPI condition is not met, such financial assets are measured at fair value through profit or loss, and the interest income is recognised as other interest income.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the asset expire;
- The Microbank transfers the contractual rights to receive cash flows from the financial asset or assumes an obligation to pay the received cash flows in full to a third party; and either (a) transfers substantially all the risks and rewards of ownership of the asset, or (b) neither transfers nor retains substantially all the risks and rewards but transfers control of the asset.

A financial instrument is written off (removed from the statement of financial position and recognised off-balance sheet) when there is no reasonable expectation of recovering the impaired financial instrument. A financial instrument shall be written off if:

- Recovery of the amount (or part thereof) is not legally enforceable, including through the realization or repossession of collateral from the borrower or any third party;
- Recovery is legally possible from the borrower or a third party, but the probability of recovery is very low;
- In the absence of expert evidence supporting an alternative approach, when writing off impaired financial assets, factors such as days past due and the type of collateral are considered.

Reclassification

After initial recognition, financial assets are not reclassified unless the Microbank changes its business model for managing financial assets.

Impairment of Financial Assets

Changes in Impairment Assessment

IFRS 9 requires the calculation of expected credit losses (ECL) for all financial assets held by the Microbank that are measured at amortised cost or at fair value through other comprehensive income (FVOCI).

The impairment allowance is based on ECLs calculated for defaults that may occur over the next 12 months from the origination of the financial asset, unless there has been a significant increase in credit risk, in which case the allowance is based on lifetime ECL. If a financial asset meets the definition of purchased or originated credit-impaired (POCI), the impairment allowance is based on lifetime ECL.

The assessment of expected credit losses for a risk exposure may be performed either on an individual or a collective basis. Individual assessment is applied to material Stage 3 exposures, where the information required for such assessment is available to the Microbank without undue cost or effort.

Financial instruments assessed on a collective basis are grouped according to similar credit risk characteristics. The groups are sufficiently large in terms of the number of financial instruments, yet sufficiently homogeneous in terms of risk characteristics, to ensure reliable statistical analysis at the group level. The appropriateness of grouping is verified using historical loss data.

For the purpose of collective assessment, homogeneous groups are determined based on collateral type and loan purpose, which represent key shared credit risk characteristics.

Three-Stage Approach

IFRS 9 introduces a three-stage approach for impairment of financial instruments from the date of their origination or acquisition. This approach is summarised below:

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Stage 1: The Microbank recognises a loss allowance equal to 12-month expected credit losses. This represents the portion of lifetime ECL resulting from default events that are possible within 12 months after the reporting date, assuming that credit risk has not increased significantly since initial recognition. For financial assets with a maturity of less than 12 months, the probability of default corresponds to the lifetime probability of default.

Stage 2: The Microbank recognises a loss allowance equal to lifetime expected credit losses for financial assets that have experienced a significant increase in credit risk since initial recognition. This requires the calculation of ECL based on the probability of default over the remaining life of the financial instrument.

The loss allowance at this stage is higher due to increased credit risk and a longer measurement period compared to the 12-month horizon in Stage 1. Financial instruments in Stage 2 are not yet considered credit-impaired.

Stage 3: If a financial instrument becomes credit-impaired, it is transferred to Stage 3. The Microbank recognises impairment losses based on lifetime ECL, with a probability of default (PD) of 100% for such impaired financial instruments.

Stage 1 Credit Risk Category - Financial instruments are classified in Stage 1 if they meet one or more primary low-risk indicators.

For revolving facilities, such as credit lines, overdrafts, and similar instruments where amortisation (repayment) is not contractually required, the borrower is considered to have the ability to repay the exposure within a reasonable period.

If a financial instrument is more than 30 days past due but not more than 90 days past due, it may still be classified in Stage 1 only if analysis confirms that the delay is due to technical reasons rather than a deterioration in the borrower's financial condition.

High Credit Risk Category - Financial instruments are classified as high credit risk if they meet the Stage 1 criteria but the borrower's financial condition is potentially weak, as reflected in the borrower's credit rating (where the rating falls within thresholds defined by the Microbank's internal product guidelines).

Such exposures are subject to enhanced monitoring to ensure timely identification of whether reclassification to Stage 2 or Stage 3 is required.

Stage 2 Credit Risk Category - A financial instrument is classified in Stage 2 if it is not credit-impaired but meets one of the primary indicators of a significant increase in credit risk.

Classification into Stage 2 should also consider adverse macroeconomic factors that have occurred or may occur in the future. Based on detailed analysis and judgment, such factors may indicate a significant increase in the risk that the borrower will fail to meet contractual obligations on time.

Stage 3 Credit Risk Category - Stage 3 includes credit-impaired financial instruments. A financial instrument is considered credit-impaired if it meets one or more primary indicators.

If any financial instrument of a borrower is more than 90 days past due, all other financial instruments of that borrower are also considered credit-impaired, except for immaterial exposures.

POCI Financial Instruments - Financial instruments classified as POCI are those that are credit-impaired at initial recognition.

Write-offs

The Microbank writes off financial assets when there is no reasonable expectation of recovery.

The need to write off mortgage loans is assessed individually. For mortgage loans and other loans secured by real estate, exposures are considered uncollectible and written off after 720 days past due. Other unsecured portfolios are written off after 360 days past due.

If the amount to be written off exceeds the accumulated allowance for expected credit losses, the difference is first recognised as an additional expected credit loss expense. Any subsequent recoveries are recognised as expected credit loss income.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Key indicators by credit risk category

Stage 1	High Risk	Stage 2	Stage 3	POCI
Days past due ≤ 30;	The borrower's income is active, although their credit rating (per the database) is categorized at a satisfactory level.	30 < days past due ≤ 90;	Days past due > 90;	A new financial instrument issued to a borrower that is classified under the Stage 3 credit risk category.
Not restructured		A restructuring has been carried out, which is the first since the moment of its recognition, and as a result of the restructuring, the maturity of the financial instrument is in compliance with the established maximum maturity.	A restructuring of the financial instrument has been carried out, which is not the first since the moment of its recognition.	A restructuring of a borrower's Stage 3 credit risk category financial instrument was performed through refinancing.
Does not belong to Stage 2 and Stage 3 credit risk categories			The borrower's solvency has significantly deteriorated since initial recognition.	A purchased credit portfolio (e.g., from another financial institution) which contains loans that are considered impaired in accordance with the Stage 3 credit risk category of this policy.
			The borrower's liability was reduced by more than 5% through partial forgiveness and/or write-off of the financial instrument's principal and/or accrued interest.	

Contamination Principle

The contamination principle refers to the application of the highest credit risk category to all financial instruments of a borrower or a group of related borrowers. Specifically, the Microbank applies the contamination principle in accordance with the following rules:

- A significant increase in credit risk or impairment of one financial instrument of a borrower will generally result in a significant increase in credit risk or impairment of the borrower's other financial instruments, regardless of whether those instruments belong to the same homogeneous group or different groups, except where the increase or impairment relates to an immaterial financial instrument;
- If certain borrowers within a group of related borrowers have financial instruments that are credit-impaired or have experienced a significant increase in credit risk, an assessment is performed to determine whether the financial instruments of other borrowers in the group are also credit-impaired or have experienced a significant increase in credit risk since initial recognition in accordance with IFRS. Where different credit risk categories are assigned within a borrower or group of borrowers, the Microbank must substantiate, through individual and/or statistical analysis, that the factors leading to a higher credit risk classification do not cause a significant increase in credit risk or impairment for instruments classified in lower categories;
- When applying the contamination principle at the group level, the Microbank identifies borrowers with immaterial exposures, whose significant increase in credit risk or impairment does not result in a similar impact on other borrowers within the group. In such cases, the Microbank must maintain detailed and comprehensive information on the triggering indicators.

Forward-looking Information

In accordance with IFRS 9, the allowance for credit losses is based on reasonable and supportable forward-looking information available without undue cost or effort, including past events, current conditions, and forecasts of future economic conditions.

The Microbank uses forward-looking information both in assessing significant increases in credit risk and in measuring ECL.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Microbank has identified and documented key drivers of credit risk and credit losses for each financial instrument portfolio. Based on historical data analysis, relationships between macroeconomic variables and probabilities of default have been established. The key driver is the forecast of the effective exchange rate. The relationships between key indicators, default rates, and portfolio loss rates are derived from the analysis of at least five years of historical data.

Modified Financial Assets

A significantly modified financial instrument refers to a new or existing financial instrument that replaces or modifies the terms of an existing instrument based on an agreement between the Microbank and the borrower. Such modifications are driven by changes in the borrower's circumstances that do not represent a trigger for deterioration in credit risk classification.

At the time of modification, the borrower must meet the criteria for Stage 1 classification. A financial instrument may be removed from the "significantly modified" category only after more than one year has passed since the modification.

Restructured Financial Assets

A restructured financial instrument refers to a new or existing financial instrument that replaces or modifies the terms of an existing instrument based on an agreement between the Microbank and the borrower, driven by the borrower's financial difficulties.

A financial instrument may be removed from the restructured category only after more than one year has passed since the restructuring.

A financial instrument is considered restructured if its contractual terms have been modified based on one or more of the following criteria:

- Reduction of the interest rate or waiver of accrued interest to reduce the payment burden;
- Capitalisation of accrued interest income;
- Repayment (including refinancing) of principal or interest not made by the borrower's own funds, including cases where repayment is made using funds obtained through other financial instruments of the borrower or related parties;
- Extension of the maturity date;
- Granting of a grace period (except for seasonal business cases);
- Any other rights or concessions granted by the Microbank to the borrower that would not have been provided under normal conditions.

Measurement of ECL

The main components used in measuring ECL are:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD).

These parameters are generally estimated using internal statistical models and historical data and are designed to incorporate forward-looking information as described above. These variables (except EAD) are updated at least semi-annually. EAD is updated whenever the impairment allowance is recalculated.

Probability of Default (PD)

PD represents the likelihood of default events that may result in credit losses for a financial instrument.

To calculate PD, the Microbank analyses historical data for each homogeneous group of financial instruments. Migration matrices are used to estimate the probability of transitions between delinquency buckets. At least five years of historical data are used, where available, to calculate monthly PDs. These monthly averages are extrapolated to derive both 12-month and lifetime PDs.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Loss Given Default (LGD)

LGD is calculated based on historical data on defaults and recoveries. To determine the present value of recovery rates, historical recovery percentages (recoveries divided by defaulted portfolio over the analysis period), typically over a five-year period, are discounted using the effective interest rate.

Exposure at Default (EAD)

EAD represents the expected outstanding exposure at the time of default.

In calculating EAD, the Microbank considers both scheduled repayments (principal and interest) and expected prepayments, estimated based on historical data.

Cash and Cash Equivalents

Cash and cash equivalents are assets that are readily convertible into cash and are subject to an insignificant risk of changes in value. They include cash on hand and balances with banks with maturities of up to three months. Restricted balances with maturities exceeding three months are not included in cash and cash equivalents.

Financial Liabilities

In accordance with the accounting policy, financial liabilities are classified as either “at fair value through profit or loss” or “other financial liabilities.” The Microbank has classified all financial liabilities as “other financial liabilities.”

Other financial liabilities of the Microbank include other liabilities and borrowings.

Other financial liabilities are initially measured at fair value plus transaction costs directly attributable to their issuance.

Interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method, which ensures a constant rate of interest expense on the carrying amount of the liability. Interest expense includes initial transaction costs and any premium payable on redemption.

Offsetting of Financial Assets and Liabilities

The Microbank offsets financial assets and liabilities when it has a legally enforceable right to set off and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Reclassification

Financial liabilities are not reclassified after initial recognition.

Derecognition of Financial Liabilities

The Microbank derecognises financial liabilities when the obligation is discharged, cancelled, or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and recognition of a new liability. The difference between the carrying amount and the consideration paid or payable is recognised in the statement of comprehensive income.

Fair Value Measurement Hierarchy

IFRS 13 requires disclosures about the assumptions used in measuring the fair value of financial assets and liabilities.

The fair value hierarchy consists of the following levels:

1. Quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1);
2. Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly (Level 2); and
3. Inputs that are not observable in active markets (Level 3).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

As at 31 December 2025 and 2024, the fair value of financial instruments does not materially differ from their carrying amounts.

Fair value measurement aims to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the use of uncertainty and subjective judgments, fair value should not be interpreted as the amount that would be realised in an immediate sale of assets or transfer of liabilities.

		Current credit risk category	
		Stage 2 credit risk category	Stage 3 credit risk category
Credit risk category after reclassification	Stage 1 credit risk category	<ul style="list-style-type: none"> If a financial analysis of the borrower has been carried out, the financial instrument fully and unconditionally meets the conditions of the Stage 1 credit risk category and the last 3 consecutive demonstration payments have been made. If it is not possible to carry out a financial analysis of the borrower for the purpose of reclassification (category improvement) of the financial instrument, reclassification of the financial instrument from the Stage 2 credit risk category to the Stage 1 credit risk category is possible if 6 consecutive demonstration payments are recorded. 	If a financial analysis of the borrower has been carried out, the financial instrument fully and unconditionally meets the conditions of the relevant risk category and the last 6 consecutive demonstration payments have been made.
	Stage 2 credit risk category		<ul style="list-style-type: none"> If a financial analysis of the borrower has been carried out. The financial instrument fully and unconditionally meets the conditions of the first or second stage credit risk category and the last 3 consecutive demonstration payments have been made. If 6 consecutive demonstration payments are recorded

Recognition of Interest Income and Expense

Interest income and expense are recognised in the statement of profit or loss and other comprehensive income using the accrual basis, applying the effective interest rate (EIR) method. Under this method, all fee income and expenses directly related to loan origination and borrowing are deferred, as transaction costs are included in the calculation of the effective interest rate.

The calculation of the effective interest rate includes income and expenses directly attributable to the issuance and acquisition of loans. For example, fee income includes fees related to the assessment of the borrower's creditworthiness and the valuation of collateral.

Other income and expenses are recognised on an accrual basis in accordance with the stage of completion of the services rendered or received.

For financial instruments in Stage 1 and Stage 2, the Microbank recognises interest income using the EIR on the gross carrying amount. For financial instruments in Stage 3, interest income is calculated using the EIR applied to the amortised cost (i.e., the gross carrying amount less the loss allowance). For financial instruments classified as purchased or originated credit-impaired (POCI), interest income is also recognised using the EIR applied to amortised cost.

Presentation

Interest income calculated using the effective interest method and presented in profit or loss and other comprehensive income includes interest on financial assets measured at amortised cost. Interest expense presented in profit or loss and other comprehensive income includes interest on financial liabilities measured at amortised cost.

Fees and Commissions

Fee income and expense that form an integral part of the effective interest rate of a financial asset or financial liability are included in the EIR calculation.

Contracts with customers that result in the recognition of financial instruments in the Microbank's financial statements may fall partly within the scope of IFRS 9 and partly within the scope of IFRS 15. In such cases, the Microbank first applies IFRS 9 to separate and

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

account for the portion of the contract within its scope and then applies IFRS 15 to the remaining components. Other fees and commissions are mainly related to transaction and service fees and are recognised as expenses when the services are rendered.

Employee Expenses

Salaries, bonuses, and non-monetary benefits are recognised on an accrual basis in the period in which the services are rendered by employees.

Recognition of Operating and Administrative Expenses

Operating and administrative expenses are recognised in the statement of profit or loss and other comprehensive income when they result in a decrease in future economic benefits related to a decrease in assets or an increase in liabilities and can be measured reliably.

Such expenses are recognised immediately when it is not probable that future economic benefits will be realised or when the benefits no longer meet the criteria for recognition as assets in the statement of financial position.

Leases

The Microbank as a Lessee

Identification of a Lease

To determine whether a contract conveys the right to control the use of an identified asset for a period of time, the Microbank assesses whether, throughout the period of use, the customer has both:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

Initial Recognition

At the commencement date of the lease, the Microbank recognises a right-of-use asset and a lease liability, except for:

- Leases of low-value assets; and
- Short-term leases (with a lease term of less than 12 months).

Leases are recognised in the financial statements as:

- An asset representing the right to use the leased asset over the lease term; and
- A liability representing the obligation to make lease payments.

At the commencement date, the lease liability is measured at the present value of lease payments not yet paid. Lease payments are discounted using the interest rate implicit in the lease, if readily determinable; otherwise, the lessee's incremental borrowing rate is used.

Variable lease payments that depend on an index or rate are included in the measurement of the lease liability based on the index or rate at the commencement date. Other variable lease payments are recognised as expenses in the period in which they are incurred.

The lease liability includes:

- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain that the option will be exercised;
- Penalties for terminating the lease, if the lease term reflects the exercise of a termination option.

At the commencement date, the right-of-use asset is measured at cost, which includes:

- The initial measurement of the lease liability;
- Lease payments made at or before the commencement date, less any lease incentives received;

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

- Initial direct costs incurred by the lessee; and
- An estimate of costs to dismantle and remove the asset or restore the site or the asset to the condition required by the lease terms.

Subsequent Measurement

After the commencement date, the lease liability increases to reflect interest and decreases by the lease payments made. The Right-of-Use (ROU) asset is decreased by accumulated depreciation and accumulated impairment losses. If the lease agreement transfers ownership of the underlying asset to the lessee by the end of the lease term, or if the cost of the ROU asset reflects the lessee's intention to exercise a purchase option, the asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the ROU asset is depreciated from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

After the lease commencement date, Microbank remeasures the lease liability to reflect changes in lease payments. The amount resulting from the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and the lease liability is also reduced, the remaining amount of the remeasurement is recognized in profit or loss. The lease liability is remeasured using the revised lease payments and the revised discount rate, if any of the following occurs: the lease term is changed, or the valuation of the option to purchase the leased asset is changed.

If the amounts expected to be paid under the residual value guarantee or future lease payments are changed because the index or rate used to determine those payments has changed, the lease liability is remeasured using the discount rate determined at the beginning of the lease term, except when the change in lease payments is due to a change in variable interest rates.

When a microbank modifies the contractual terms of a lease, the accounting depends on the substance of the modification:

- A lease modification is accounted for as a separate lease if the modification increases the scope of the lease and the lease payments increase by a rate appropriate to the increased scope of use.
- In the case of a lease modification that is not accounted for as a separate lease, the lessee remeasures the lease liability at the effective date of the lease modification by discounting the revised lease payments at the revised discount rate.
- In the case of a lease modification that reduces the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or complete termination of the lease, any income or loss related to the partial or complete termination of the lease is recognized in profit or loss; the lease liability is subsequently adjusted so that its carrying amount reflects the modified lease payments over the modified term, discounted at the rate at the date of the modification. In such cases, the right-of-use asset is adjusted by the corresponding amount.

Determining the Lease Term

The lease term is the non-cancellable period of a lease, together with both: (a) periods covered by an option to extend the lease (including those supported by established business practice) if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Management exercises judgment in determining the lease term. To assess whether it is reasonably certain that the lessee will exercise an extension option or not exercise a termination option, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee. The Group reassesses the lease term if a significant event or change in circumstances occurs that: (a) is within the control of the lessee; and (b) affects the assessment of whether it is reasonably certain that the lessee will exercise an option not previously included in the determination of the lease term, or not exercise an option previously included.

Incremental Borrowing Rate

The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. Management uses judgment to determine the incremental borrowing rate. Using observable data, a base rate is determined, which is then adjusted for factors specific to the lessee and the characteristics of the collateral (the leased object).

Determination of Lease Payments

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

In Georgia, lease agreements often do not include a provision (or include an incomplete provision) regarding lease renewal/extension. The existence of such a right is supported in accordance with established business practice. The Group considers such established business practice as an integral part of the contract. For such cases, the estimated lease payments used in determining the lease liability remain unchanged throughout the lease term, including the renewal period.

Short-term Leases and Leases of Low-Value Assets

The organization has decided to apply the exemption for short-term leases and leases of low-value assets. Lease payments associated with these leases are recognized as an expense over the lease term on a straight-line basis. Another systematic basis is used if it more adequately reflects the structure/model of the benefit received by the lessee.

Taxation

Tax expense consists of current and deferred tax for the period. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax expenses related to the Microbank's primary activities are calculated in accordance with the tax legislation of Georgia. For financial reporting purposes, current income tax expenses are adjusted by the amounts of deferred taxes arising from differences between the carrying amounts and tax bases of assets and liabilities. Such adjustments result in the reflection of deferred tax assets or deferred tax liabilities.

In December 2022, the Parliament of Georgia adopted amendments that entered into force on January 1, 2023. The income tax for companies in the Georgian financial sector was set at 20 percent, and the taxation of the financial sector will no longer transition to the "Estonian tax model."

Deferred tax assets are recognized using the balance sheet liability method. The deferred income tax amount is calculated based on the expected tax rate to be applied in the years when the temporary difference is recovered or realized. Deferred tax assets are recognized when it is probable that future taxable profits will be sufficient to realize the deferred tax assets. At each balance sheet date, the Microbank reassesses unrecognized deferred tax assets.

Deferred income tax is recognized because it represents future taxable profit against which temporary differences can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Property and Equipment and Intangible Assets

Property, plant, and equipment (PPE) and intangible assets are reflected in the balance sheet at historical cost, less accumulated depreciation (amortization) and impairment losses, if any. Depreciation and amortization are charged over their useful lives on a systematic, straight-line basis. Depreciation and amortization are charged according to the following useful lives:

	Useful Life (Years)
Land	Not depreciated
Buildings	30-40
Furniture	5-7
Leasehold improvements	3-7

The carrying amount of PPE is reviewed at the end of each reporting period to verify whether it is recognized at more than its recoverable amount. The recoverable amount is the higher of the value in use and fair value less costs to sell. Intangible assets are amortized over their useful lives on a systematic, straight-line basis.

Impairment of Non-Financial Assets (Excluding Inventories)

At the end of each reporting period, the Microbank reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If such indications exist, the carrying amount of the asset (or the cash-generating unit to which the asset belongs) is tested for impairment. An impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset exceeds its recoverable amount.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The recoverable amount is the higher of fair value less costs to sell and value in use. For the purposes of impairment testing, assets are grouped at the lowest identifiable levels of cash-generating units.

Share Capital and Dividends

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The difference between the nominal value and the market price is recognized in share premium (share capital).

Equity is adjusted by the dividend amount in the period in which they are declared. Any dividends declared after the reporting period and before the financial statements are issued are disclosed in the note on events after the balance sheet date. Dividends on ordinary shares are recognized as a distribution of retained earnings in the period of their declaration. Dividends on preferred shares are recognized as a distribution of retained earnings when they are approved by the Annual General Meeting in any given year.

Non-redeemable preferred share capital with discretionary dividends is classified as equity in accordance with IAS 32.

Foreign Currency Transactions

The Microbank uses the Georgian Lari (GEL) as its functional currency, as it has a significant impact on its operations. Thus, for these financial statements, the Microbank uses the Georgian Lari as the measurement currency.

Monetary assets and liabilities denominated in foreign currencies are translated at the official exchange rate set by the National Bank of Georgia at the end of the year. Exchange differences arising during conversion are reflected in the statement of comprehensive income. Results expressed in foreign currencies are recorded according to the exchange rate existing on the day of the transaction. Revaluation does not apply to non-monetary assets and liabilities. The final exchange rates used for the conversion of foreign currency balances were as follows:

	USD/GEL	EUR/GEL
As of December 31, 2025	2.6951	3.1737
As of December 31, 2024	2.8068	2.9306

Events After the Reporting Period

Events after the reporting period, as well as events up to the date of authorization of the financial statements that provide additional information about the Microbank's financial statements, are included in the financial statements. Material post-balance sheet events that do not affect the condition of the Microbank's financial statements at the balance sheet date are also presented in the notes to the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Micro Bank makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements and estimates related to ECL measurement

Measurement of ECLs is a significant estimate that involves determination of methodology, development of models and preparation of data inputs. Expert management judgement is also an essential part of estimating expected credit losses.

Management considers management judgements and estimates in calculating ECL as follows:

Judgements used to define criteria used in definition of default.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The Micro Bank defines default using both quantitative and qualitative criteria. Borrower is classified as defaulted if:

- any amounts of contractual repayments are past due more than 90 days; or
- factors indicating the borrower's unlikelihood-to-pay.

Unlikelihood to repay is qualitative and quantitative criteria based on clients monitoring/financial stability.

In addition, default exit criteria are defined using judgement as well as whether default should be applied on a borrower or exposure level. For more details on the methodology please see Note 3.

Judgements used to define criteria for assessing, if there has been a significant increase in credit risk (SICR) which is defined using both quantitative and qualitative criteria.

Qualitative factors usually include judgements around delinquency period of more than 30 days on contractual repayments; exposure is restructured, but is not defaulted.

The Micro Bank evaluates the change in the probability of default parameter for each specific exposure on a quantitative basis, comparing it to a predefined threshold since its initial recognition. When the absolute relative change in the probability of default surpasses the specified threshold, it is considered a Significant Increase in Credit Risk (SICR), leading to the transfer of the exposure to Stage 2.

Judgements used for calculation of credit risk parameters namely probability of default (PD) and loss given default (LGD). The judgements include and are not limited by:

- (i) definition of the segmentation for risk parameters estimation purposes,
- (ii) time since default date after which no material recoveries are expected,

5. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Similarly to other financial institutions, the microbank is exposed to various risks arising from the use of financial instruments. This note describes the microbank's objectives, policies and processes for managing these risks, as well as the methods used to measure them. Further quantitative disclosures related to these risks are presented in other sections of these financial statements.

General Objectives, policies and processes

All employees of the microbank are involved in the risk management process, which represents a critical component of the overall risk management system and contributes to the sustainability of the organization. Each structural unit has clearly defined roles and responsibilities in relation to risk management, ensuring the effectiveness of processes.

Risk management is carried out within a unified framework aimed at:

- timely identification of existing risks and threats;
- prevention of potential losses;
- effective management of incidents;
- supporting the achievement of the bank's objectives;
- continuous improvement of the control system;
- increasing operational efficiency;
- enhancing organizational resilience; and
- ensuring compliance with regulatory requirements and international standards.

The organizational structure of the Company ensures adequate supervision, accountability and clear segregation of duties. The Supervisory Board is the highest governing body responsible for risk oversight, defining the Company's strategy and monitoring the achievement of strategic objectives, while the Management Board is involved in the day-to-day operations of the bank.

5. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Day-to-day management of individual risks is based on the “three lines of defence” model, which ensures segregation of duties and responsibilities, enabling effective overall risk management and strengthening the internal control framework.

The three lines of defence distinguish between risk ownership/management and independent oversight functions:

- **First line of defence (business units)** – responsible for owning and managing risks;
- **Second line of defence** – independent from the first line and responsible for monitoring risk-taking activities and independently assessing risks;
- **Third line of defence (internal audit)** – independent from both the first and second lines, responsible for evaluating the effectiveness of internal controls, risk management systems and governance processes.

Risk Committee

The Risk Committee oversees the microbank’s risk profile; evaluates the adequacy of key risk requirements, including risk assessment, monitoring and limits; reviews and aligns actions related to risk strategy; reviews policies and documents prior to submission to the Supervisory Board; assesses the effectiveness of internal control and risk management systems jointly with the Audit Committee; evaluates external audit findings related to risk management; and periodically reviews the system of risk limits.

Risk Management Framework

The Supervisory Board determines the bank’s risk appetite, taking into account the Company’s strategy, capital, financial plans and remuneration practices.

The risk appetite framework covers all material risks associated with the bank’s products, activities, processes, systems and strategy. It defines both quantitative and qualitative indicators used to assess whether operations are conducted within the established risk appetite and aligned with the bank’s strategy.

Risk appetite establishes thresholds for risk indicators at both individual and aggregated levels, within which the microbank operates, considering its capital capacity, risk management capabilities, strategic objectives and constraints imposed by shareholders, creditors, regulators and other stakeholders.

The framework ensures timely identification, communication and management of risks before they materialize. It is aligned with the bank’s short-, medium- and long-term strategy and reflects the competitive environment, regulatory expectations, organizational complexity and overall risk profile.

Based on the risk appetite, the microbank has developed detailed policies and procedures defining risk management standards, employee responsibilities and authority limits to ensure effective risk management.

The risk management process includes risk identification, assessment, setting acceptable levels, monitoring and implementation of mitigation actions where risks exceed established thresholds.

Credit Risk

Due to the nature of its operations, the bank is exposed to credit risk, which represents the risk that one party to a financial instrument will fail to meet its contractual obligations, resulting in financial loss to the other party.

Credit risk arises from lending activities and other transactions with counterparties, leading to the recognition of financial assets and off-balance sheet credit-related commitments. Credit risk is the most significant risk for banks and regulators.

The bank’s credit strategy aims to build a diversified and profitable loan portfolio while maintaining high asset quality.

The microbank has established credit risk management policies and procedures (covering both recognized financial assets and off-balance sheet commitments), which are approved by the governing body.

The credit policy defines:

- procedures for reviewing and approving loan applications;
- methodologies for assessing borrower creditworthiness;
- methodologies for assessing counterparty creditworthiness;

5. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

- collateral valuation methodologies;
- requirements for credit documentation; and
- procedures for ongoing monitoring of loans and other credit exposures.

Loan applications are submitted to the **Credit Committee**, which reviews detailed information on the borrower’s income and performs an initial credit risk assessment. The committee evaluates applications based on criteria such as:

- borrower creditworthiness;
- credit history;
- financial condition;
- business competitiveness; and other relevant factors.

The Risk Management Department performs individual risk assessments of customers as well as portfolio-level analysis, including credit concentration and market risks. The microbank continuously monitors and regularly reassesses the creditworthiness of its clients (refer to Note 6 for impairment of loans).

The review process is based on the most recent financial information of borrowers and other relevant data obtained either from clients or independently by the microbank. The regular monitoring system supports timely identification and mitigation of credit risk.

The **maximum exposure to credit risk** is generally reflected in the carrying amounts of financial assets recognized in the statement of financial position, as well as off-balance sheet commitments. The effect of netting arrangements on reducing overall credit exposure is not significant.

As at the reporting date, the maximum exposure to credit risk amounted to:

	31 December 2025	31 December 2024
Cash and cash equivalents (excluding cash on hand)	21,650	16,039
Mandatory cash balances in NBG	9,048	-
Loans to customers	153,239	119,464
Other assets	18	82
	183,955	135,585

Operational Risk

Operational risk refers to the risk of loss that the Bank may incur as a result of inadequate or failed internal processes, system failures or disruptions, human errors, fraud, or external events, including but not limited to cyberattack risk and other similar factors.

Liquidity

Risk

Liquidity risk arises from mismatches in the maturities of assets and liabilities. Such mismatches may result in a shortage of sufficient financial resources when repaying attracted funds and meeting other financial obligations related to financial instruments.

Liquidity risk is the risk that the microbank will encounter difficulties in meeting its contractual obligations associated with financial instruments, which involve the delivery of cash or another financial asset. Liquidity risk arises when there is a mismatch between the maturities of assets and liabilities. The alignment and/or controlled mismatch of maturities and interest rates of assets and liabilities is fundamental to liquidity management. Achieving complete alignment is uncommon in financial institutions, as business activities are often uncertain in timing and diverse in nature. While a mismatched position may potentially enhance profitability, it may also increase the risk of losses.

The objective of the microbank’s liquidity management is to ensure the availability of cash to meet financial obligations as they fall due. The liquidity management policy requires:

- planning cash flows by major currencies and considering the required level of liquid assets in relation thereto;
- maintaining a diversified range of funding sources;
- managing loan concentration and portfolio profile;
- ensuring a funding plan for lending activities;
- maintaining liquidity and contingency funding plans.

5. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

The tables below present the undiscounted cash flows of financial assets and liabilities based on the contractual terms of lending arrangements and their earliest contractual maturities. The total inflows and outflows disclosed in the tables represent contractual, undiscounted cash flows related to financial assets and liabilities.

The maturity analysis of financial liabilities as at 31 December 2025 is presented as follows:

	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Borrowed funds	3,258	33,244	52,071	-	88,573
Customer accounts	404	887	254	-	3,183
Subordinated borrowings	-	-	5,335	-	5,335
Debt securities issued by the entity	-	7,510	53,324	-	60,834
Lease liability	5	-	3,636	1,260	4,901
Other financial liabilities	1,999	-	-	-	1,999
Total no-derivative financial liabilities	5,666	41,641	114,620	1,260	164,825

The maturity analysis of financial liabilities as at 31 December 2024 is presented as follows:

	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Borrowed funds	14,425	19,495	43,927	356	78,203
Subordinated borrowings	-	-	5,461	-	5,461
Debt securities issued by the entity	-	-	30,041	-	30,041
Lease liability	464	1,297	4,651	179	6,591
Other financial liabilities	1,585	437	-	-	2,022
Total no-derivative financial liabilities	16,580	26,455	96,371	234	139,640

Market Risk

Market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market factors. Market risk may arise from the microbank's holdings of interest-bearing, trading, or foreign currency-denominated financial instruments. There is a risk that the fair value of a financial instrument or its future cash flows will change due to movements in foreign exchange rates (currency risk) and changes in interest rates (interest rate risk).

Currency Risk Management

Currency risk arises from changes in the relative value of one currency against another. It is a significant component of the microbank's overall financial risk profile. The microbank is exposed to currency risk in relation to its financial position and cash flows.

The impact of currency risk on the microbank as at 31 December 2025 is presented in the table below:

	GEL	USD	EUR	Other Currencies	Total
Financial assets					
Cash and cash equivalents	15,452	4,975	1,037	186	21,650
Mandatory cash balances in NBG	-	9,031	17	-	9,048
Loans to customers	152,787	452	-	-	153,239
Other financial assets	-	3	-	-	3
Total Financial assets	168,239	14,461	1,054	186	183,940
Financial liabilities					
Borrowed funds	30,483	58,004	86	-	88,573
Customer accounts	1,764	1,418	1	-	3,183
Subordinated borrowings	-	5,335	-	-	5,335
Debt securities issued by the entity	60,834	-	-	-	60,834
Lease liabilities	3,048	1,853	-	-	4,901
Other financial liabilities	1,997	2	-	-	1,999
Total Financial liabilities	98,126	66,612	87	-	164,825
Open balance sheet position	70,113	(52,151)	967	186	19,115
The effect of derivatives held for risk management	(51,481)	52,433	(952)	-	-
Net open balance sheet position	18,632	282	15	186	19,115

5. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

The impact of currency risk on the microbank as at 31 December 2024 is presented in the table below:

	GEL	USD	EUR	Other Currencies	Total
Financial assets					
Cash and cash equivalents	12,773	2,219	924	123	16,039
Mandatory cash balances in NBG	-	-	-	-	-
Loans to customers	118,849	615	-	-	119,464
Other financial assets	81	1	-	-	82
Total Financial assets	131,703	2,835	924	123	135,585
Financial liabilities					
Borrowed funds	32,703	45,469	31	-	78,203
Subordinated borrowings	-	5,461	-	-	5,461
Debt securities issued by the entity	30,041	-	-	-	30,041
Lease liability	121	5,354	-	-	5,475
Other liabilities	1,646	444	1	-	2,091
Total Financial liabilities	64,511	56,728	32	-	121,271
Open balance sheet position	67,192	(53,893)	892	123	14,314
The effect of derivatives held for risk management	(52,715)	53,091	(879)	-	(503)
Net open balance sheet position	14,477	(802)	13	123	13,811

The table below presents the microbank's sensitivity to a 20% increase or decrease in foreign exchange rates against the Georgian Lari and reflects management's assessment of reasonably possible changes in exchange rates. The sensitivity analysis includes only monetary items denominated in foreign currencies and adjusts their year-end balances by a 20% change in exchange rates. The impact on profit or loss and equity is presented as follows.

	31 December 2025			31 December 2024		
	GEL / USD	GEL / EUR	GEL / Other Currencies	GEL / USD	GEL / EUR	GEL / Other Currencies
20% increase	56	3	37	(160)	3	25
20% decrease	(56)	(3)	(37)	160	(3)	(25)

The analysis is based on the assumption that all other variables remain constant.

Interest Rate Risk

Interest rate risk arises from potential changes in market interest rates, which may adversely affect the fair value of the microbank's financial assets and liabilities. This risk may result from mismatches in the repricing or maturity dates of assets and liabilities, as well as from instruments that are sensitive to changes in interest rates.

Interest-bearing financial assets and liabilities as at 31 December 2025 and 2024 are presented as follows:

	2025	2024
Total interest-bearing financial assets	160,172	131,253
Total interest-bearing financial liabilities	(151,481)	(119,180)
	8,691	12,073

Compliance Risk

Compliance risk represents the risk that the microbank fails to comply with applicable laws, regulations, and contractual obligations, which may result in financial loss.

Macroeconomic Risk

Macroeconomic risk represents the risk that adverse developments at the country, regional, or global level (such as a decline in GDP, rising unemployment, etc.) may negatively impact the microbank's financial performance.

5. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Capital Management

The microbank's objectives in managing capital are to:

- ensure the microbank's ability to continue as a going concern and operate efficiently;
- comply with the capital requirements established by the National Bank of Georgia; and
- provide an adequate return to shareholders.

The microbank sets the amount of required capital in proportion to risk and manages its capital structure, making adjustments in response to changes in economic conditions and the risk characteristics of its assets.

In order to maintain or adjust its capital structure, the microbank may adjust dividends paid to shareholders, return capital to shareholders, issue new shares, or dispose of assets to reduce liabilities.

The microbank is also required to comply with covenants stipulated in its loan agreements. Further information is disclosed in Note 20.

For financial assets and financial liabilities that are liquid or have a short-term maturity (up to three months), their carrying amounts are considered to approximate their fair values.

6. PREVIOUS PERIOD RECLASSIFICATIONS

On 5 December 2024, pursuant to a decision of the National Bank of Georgia, the Company obtained a microbank license. The change in status and the requirement to comply with banking regulations necessitated a revision of the financial statement presentation format, in order to better align the information with the standards applicable to microbanks.

Accordingly, management performed certain reclassifications of balances as of 31 December 2024. Management believes that the revised presentation more appropriately reflects the Company's financial position in light of its new status and ensures comparability of financial information between reporting periods.

The table below presents the effect of these reclassifications on the financial statements as of 31 December 2024:

31 December 2024	According to the previous financial statement	Restatement	Restated Amount
Statement Of Financial Position			
Subordinated borrowings and other borrowed funds	113,705	(113,705)	-
Borrowed funds	-	78,203	78,203
Subordinated borrowings	-	5,461	5,461
Debt securities issued by the entity	-	30,041	30,041

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents distribution by currency is disclosed in Note 5.

	31 December 2025	31 December 2024
Cash on hand	5,132	4,250
Cash at banks	16,518	11,789
Total cash and cash equivalents	21,650	16,039

8. MANDATORY CASH BALANCES IN NBG

Mandatory reserves with the National Bank of Georgia represent funds placed with the NBG. Resident financial institutions are required, in accordance with the regulations of the National Bank, to maintain mandatory reserves on interest-bearing liabilities, the amount of which depends on the volume of funds attracted by the financial institution. The ability of the microbank to withdraw these deposits is restricted by legislation.

As of 31 December 2025, the balance of mandatory reserves held with the NBG amounted to GEL 9,048 (31 December 2024: GEL 0).

9. LOANS TO CUSTOMERS

Loans to customers as at December 31, 2025 and 2024 are presented as follows:

	31 December 2025	31 December 2024
Services	43,236	17,292
Consumption*	58,597	77,958
Trade	12,767	7,236
Farming/agro-activities	12,891	9,996
Production/construction	6,115	1,728
Housing	22,015	10,223
Total loans to customers	155,621	124,433
Expected credit loss	(2,382)	(4,969)
Total loans to customers, Net	153,239	119,464

* Consumption loans are intended to cover personal purchases and other consumer liabilities. Housing loans are loans issued for the purpose of purchase, repair and to arrange real estate.

The gross contractual amounts of loans issued to customers that were written off during the reporting period but remain subject to enforcement measures amounted to GEL 2,437 thousand (2024: GEL 1,555 thousand).

9. LOANS TO CUSTOMERS (CONTINUED)

The following table provides information on the credit quality of loans to customers as at 31 December 2025:

	Stage 1	Stage 2	Stage 3	Total
Services				
Not overdue	22,018	7	-	22,025
Overdue less than 30 days	16,501	121	-	16,622
31 to 90 days overdue	598	1,878	-	2,476
91 to 180 days overdue	-	-	1,155	1,155
More than 180 days overdue	-	-	958	958
Total Services	39,117	2,006	2,113	43,236
Expected credit losses	(192)	(133)	(488)	(813)
Carrying amount	38,925	1,873	1,625	42,423
Consumption				
Not overdue	35,557	24	-	35,581
Overdue less than 30 days	18,077	47	-	18,124
31 to 90 days overdue	177	1,667	-	1,844
91 to 180 days overdue	-	-	803	803
More than 180 days overdue	-	-	2,245	2,245
Total Consumption	53,811	1,738	3,048	58,597
Expected credit losses	(230)	(86)	(484)	(800)
Carrying amount	53,581	1,652	2,564	57,797
Trade				
Not overdue	6,360	5	-	6,365
Overdue less than 30 days	4,943	54	-	4,997
31 to 90 days overdue	217	437	-	654
91 to 180 days overdue	-	-	372	372
More than 180 days overdue	-	-	379	379
Total Trade	11,520	496	751	12,767
Expected credit losses	(73)	(19)	(164)	(256)
Carrying amount	11,447	477	587	12,511
Farming/agro-activities				
Not overdue	7,037	60	-	7,097
Overdue less than 30 days	3,889	46	-	3,935
31 to 90 days overdue	43	916	-	959
91 to 180 days overdue	-	-	501	501
More than 180 days overdue	-	-	399	399
Total Farming/agro-activities	10,969	1,022	900	12,891
Expected credit losses	(73)	(62)	(207)	(342)
Carrying amount	10,896	960	693	12,549
Production/construction				
Not overdue	2,830	-	-	2,830
Overdue less than 30 days	2,676	-	-	2,676
31 to 90 days overdue	150	376	-	526
91 to 180 days overdue	-	-	61	61
More than 180 days overdue	-	-	22	22
Total Production/construction	5,656	376	83	6,115
Expected credit losses	(25)	(8)	(19)	(52)
Carrying amount	5,631	368	64	6,063
Housing				
Not overdue	14,028	126	-	14,154
Overdue less than 30 days	6,815	136	-	6,951
31 to 90 days overdue	39	575	-	614
91 to 180 days overdue	-	-	202	202
More than 180 days overdue	-	-	94	94
Total Housing	20,882	837	296	22,015
Expected credit losses	(66)	(14)	(39)	(119)
Carrying amount	20,816	823	257	21,896

9. LOANS TO CUSTOMERS (CONTINUED)

The following table provides information on the credit quality of loans to customers as at 31 December 2024:

	Stage 1	Stage 2	Stage 3	Total
Services				
Not overdue	14,816	234	-	15,050
Overdue less than 30 days	169	3	-	172
31 to 90 days overdue	-	181	-	181
91 to 180 days overdue	-	-	220	220
More than 180 days overdue	-	-	1,669	1,669
Total Services	14,985	418	1,889	17,292
Expected credit losses	(210)	(85)	(977)	(1,272)
Carrying amount	14,775	333	912	16,020
Consumption				
Not overdue	73,331	322	-	73,653
Overdue less than 30 days	1,119	108	-	1,227
31 to 90 days overdue	-	838	-	838
91 to 180 days overdue	-	-	543	543
More than 180 days overdue	-	-	1,697	1,697
Total Consumption	74,450	1,268	2,240	77,958
Expected credit losses	(1,006)	(270)	(1,314)	(2,590)
Carrying amount	73,444	998	926	75,368
Trade				
Not overdue	6,091	271	-	6,362
Overdue less than 30 days	53	15	-	68
31 to 90 days overdue	-	129	-	129
91 to 180 days overdue	-	-	20	20
More than 180 days overdue	-	-	657	657
Total Trade	6,144	415	677	7,236
Expected credit losses	(99)	(55)	(304)	(458)
Carrying amount	6,045	360	373	6,778
Farming/agro-activities				
Not overdue	8,761	364	-	9,125
Overdue less than 30 days	100	22	-	122
31 to 90 days overdue	-	294	-	294
91 to 180 days overdue	-	-	7	7
More than 180 days overdue	-	-	448	448
Total Farming/agro-activities	8,861	680	455	9,996
Expected credit losses	(144)	(75)	(268)	(487)
Carrying amount	8,717	605	187	9,509
Production/construction				
Not overdue	1,606	36	-	1,642
Overdue less than 30 days	24	-	-	24
31 to 90 days overdue	-	3	-	3
91 to 180 days overdue	-	-	6	6
More than 180 days overdue	-	-	53	53
Total Production/construction	1,630	39	59	1,728
Expected credit losses	(24)	(3)	(36)	(63)
Carrying amount	1,606	36	23	1,665
Housing				
Not overdue	9,990	18	-	10,008
Overdue less than 30 days	97	-	-	97
31 to 90 days overdue	-	61	-	61
91 to 180 days overdue	-	-	25	25
More than 180 days overdue	-	-	32	32
Total Housing	10,087	79	57	10,223
Expected credit losses	(64)	(12)	(23)	(99)
Carrying amount	10,023	67	34	10,124

9. LOANS TO CUSTOMERS (CONTINUED)

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of the loan extended to it. However, collateral provides additional security, and the Micro Bank generally requests borrowers to provide it.

Loans to customers are generally collateralized by real estate and vehicles (few amounts are collateralized by precious metals).

Following tables provide information on the collateral, securing the loan portfolio, net of impairment:

31 December 2025	Real estate	Vehicles	Third party guarantee	No collateral	Total
Services	39,604	54	249	2,516	42,423
Consumption	498	57,013	-	286	57,797
Trade	11,611		62	838	12,511
Farming/agro-activities	11,364	5	82	1,098	12,549
Production/construction	5,797		12	254	6,063
Housing	21,896				21,896
Total	90,770	57,072	405	4,992	153,239

31 December 2024	Real estate	Vehicles	Precious metals	No collateral	Total
Services	11,785	3,288	1	946	16,020
Consumption	32,149	40,534	1	2,684	75,368
Trade	4,263	1,803	-	712	6,778
Farming/agro-activities	6,848	1,462	-	1,199	9,509
Production/construction	1,289	203	-	173	1,665
Housing	9,622	353	-	149	10,124
Total	65,956	47,643	2	5,863	119,464

The following table shows reconciliations from the opening to the closing balances of the expected credit losses of loans to customers as at 31 December 2025:

	Stage 1	Stage 2	Stage 3	Total
At the beginning of the year	1,547	500	2,922	4,969
Transfer to Stage 1	2	(2)	-	-
Transfer to Stage 2	(176)	176	-	-
Transfer to Stage 3	(790)	(122)	912	-
Net remeasurement of loss allowance	402	(125)	(896)	(619)
New financial assets originated	782	-	-	782
Transfer to Stage 2	(117)	117	-	-
Transfer to Stage 3	(203)	-	203	-
Repaid loans	(759)	(134)	(475)	(1,368)
Write-offs	(29)	(88)	(1,265)	(1,382)
At the end of the year	659	322	1,401	2,382

The following table shows reconciliations from the opening to the closing balances of the expected credit losses of loans to customers as at 31 December 2024:

	Stage 1	Stage 2	Stage 3	Total
At the beginning of the year	1,297	351	2,827	4,475
Transfer to Stage 1	61	(49)	(12)	-
Transfer to Stage 2	(28)	78	(50)	-
Transfer to Stage 3	(56)	(114)	170	-
Net remeasurement of loss allowance	(239)	103	2,398	2,262
New financial assets originated	1,923	-	-	1,923
Transfer to Stage 2	(240)	240	-	-
Transfer to Stage 3	(551)	-	551	-
Repaid loans	(620)	(109)	(1,318)	(2,047)
Write-offs	-	-	(1,644)	(1,644)
At the end of the year	1,547	500	2,922	4,969

9. LOANS TO CUSTOMERS (CONTINUED)

Respective movements in the gross carrying amounts of loans to customers for the year ended 31 December 2025 are as follows:

	Stage 1	Stage 2	Stage 3	Total
At the beginning of the year	116,157	2,899	5,377	124,433
Transfer to Stage 1	157	(157)	-	-
Transfer to Stage 2	(3,870)	3,870	-	-
Transfer to Stage 3	(3,610)	(942)	4,552	-
New financial assets originated	177,879	-	-	177,879
Transfer to Stage 2	(2,337)	2,337	-	-
Transfer to Stage 3	(945)	-	945	-
Net changes in interest accruals	338	-	-	338
Modification of contractual cash flows of financial assets	11	442	(309)	144
Repaid loans	(141,847)	(1,974)	(859)	(144,680)
Write-offs	-	-	(2,515)	(2,515)
Foreign exchange and other movements	22	-	-	22
At the end of the year	141,955	6,475	7,191	155,621

Respective movements in the gross carrying amounts of loans to customers for the year ended 31 December 2024 are as follows:

	Stage 1	Stage 2	Stage 3	Total
At the beginning of the year	97,760	2,241	5,618	105,619
Transfer to Stage 1	636	(636)	-	-
Transfer to Stage 2	(1,549)	1,549	-	-
Transfer to Stage 3	(1,770)	(497)	2,267	-
New financial assets originated	142,870	-	-	142,870
Transfer to Stage 2	(803)	803	-	-
Transfer to Stage 3	(832)	-	832	-
Net changes in interest accruals	10	53	(11)	52
Modification of contractual cash flows of financial assets	94	-	-	94
Repaid loans	(120,340)	(661)	(1,439)	(122,440)
Write-offs	-	-	(1,812)	(1,812)
Foreign exchange and other movements	81	47	(78)	50
At the end of the year	116,157	2,899	5,377	124,433

10. OTHER ASSETS

Other assets presented on entity's financial statements as at December 31, 2025 and 2024 are presented as follows:

	31 December 2025	31 December 2024
Reposessed property*	659	419
Prepayments	390	213
Receivable from related party	38	-
Financial assets at fair value through profit or loss **	2	68
Other	16	14
Total Other Assets	1,105	714

* Reposessed property represents non-financial assets acquired by the Micro Bank to settle overdue loans. The assets are initially recognized at fair value when acquired and included in inventories within other assets depending on their nature and the Micro Bank's intention in respect of recovery of these assets and are subsequently re-measured and accounted for in accordance with the accounting policies. Inventories of reposessed property are recorded at the lower of cost or net realizable value. The Micro Bank expects to dispose these assets in the foreseeable future. Reposessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness.

10. OTHER ASSETS (CONTINUED)

** Foreign Currency Forward Contracts

Foreign Currency Forward Contracts are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts. In a foreign currency forward, the Micro Bank pays a specified amount in one currency and receives a specified amount in another currency. Currency forwards are gross-settled.

The table below summarizes the undiscounted contractual amounts outstanding at 31 December 2025 and 2024 with remaining periods to maturity. Foreign currency amounts presented below are translated at rates ruling at the reporting date. The resultant unrealized gains and losses on these unmatured contracts are recognised in profit or loss and in financial instruments at fair value through profit or loss, as appropriate.

	Notional Amount	
	31 December 2025	31 December 2024
Sell GEL to Buy USD		
Less than 3 months	52,370	41,367
Between 3 and 12 months	-	12,230
Sell EUR to Buy GEL		
Less than 3 months	952	882

The net gain or loss recognised on foreign currency forward contracts is presented in the statement of comprehensive income under the line item "Net gain/(loss) from foreign exchange trading operations," for financial instruments classified in accordance with IFRS 9 and measured at fair value through profit or loss.

11. DEFERRED TAX ASSET AND LIABILITY

Deferred tax asset and liability as of 31 December 2023, 2024, and 2025 are presented as follows:

Temporary differences at a rate of 20% due to:	Balance at 31 December 2023	Credited (charged) to the Income Statement	Balance at 31 December 2024	Credited (charged) to the Income Statement	Balance at 31 December 2025
Property and equipment	(327)	65	(262)	75	(187)
Right-of-use assets	(947)	(73)	(1,020)	77	(943)
Intangible assets	31	7	38	100	138
Other assets	-	-	-	-	-
Borrowings	148	(148)	-	-	-
Lease liabilities	950	145	1,095	(115)	980
Other liabilities	94	129	223	69	292
	(51)	125	74	206	280

Income tax expense for the years ended 31 December 2025 and 2024 comprises the following:

	2025	2024
Current income tax	(1,301)	(1,067)
Effect of temporary differences	206	125
Income tax expense	(1,095)	(942)

Reconciliation of the Income tax expense based on actual statutory rate is as follows:

	2025	2024
Profit before income tax	6,561	4,472
Applicable tax rate	20%	20%
Theoretical Income tax benefit	(1,312)	(894)
Effect of permanent differences	217	(48)
	(1,095)	(942)

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Micro Bank's lease agreements, for which right of use assets are recognised, includes leases of the head office and branches. Lease payments for these spaces are fixed over the lease term and are denominated in USD and GEL. The incremental borrowing rates for 2024 and 2023 years are in range of 6.5%-9.5% for leases denominated in USD and 12.5-15% for leases denominated in GEL.

Lease liabilities distribution by currency is disclosed in Note 5.

Right-of-use asset is presented as follows:

	2025	2024
At the beginning of the year	5,102	4,733
New lease contracts	611	847
Modification	422	913
Amortization	(1,420)	(1,344)
Other movement	-	(47)
At the end of the year	4,715	5,102

Lease liability is presented as follows:

	2025	2024
At the beginning of the year	5,475	4,750
New lease contracts	611	838
Interest expense	482	417
Modification	422	913
Lease payments	(1,808)	(1,659)
Foreign exchange movements	(180)	205
Other movement	18	11
At the end of the year	4,901	5,475

IBR was determined based on observable market data for a similar sector.

13. PROPERTY AND EQUIPMENT

Property and equipment as for 31 December 2025 and 2024 are presented in the table below:

	Land and buildings	Furniture and equipment	Leasehold improvements	Total
Historical Value				
Balance as at 31 December 2023	871	2,549	1,433	4,853
Additions	-	687	301	988
Disposals	-	(105)	(49)	(154)
Balance as at 31 December 2024	871	3,131	1,685	5,687
Additions	-	278	3	281
Disposals	-	(7)	-	(7)
Balance as at 31 December 2025	871	3,402	1,688	5,961
Accumulated Depreciation				
Balance as at 31 December 2023	(91)	(1,668)	(562)	(2,321)
Depreciation Expense	(15)	(323)	(231)	(569)
Disposals	-	105	49	154
Balance as at 31 December 2024	(106)	(1,886)	(744)	(2,736)
Depreciation Expense	(17)	(303)	(244)	(564)
Disposals	-	7	-	7
Balance as at 31 December 2025	(123)	(2,182)	(988)	(3,293)
Net Balance Value				
31 December 2024	765	1,245	941	2,951
31 December 2025	748	1,220	700	2,668

13. PROPERTY AND EQUIPMENT (CONTINUED)

As of 31 December 2025, property and equipment are not pledged as collateral for loans received from financial institutions (31 December 2024: carrying amount of GEL 543 thousand).

14. CURRENT ACCOUNTS AND DEPOSITS

Current accounts and deposits as of 31 December 2025 and 2024 are presented as follows:

	31 December 2025	31 December 2024
Current accounts and demand deposits	1,613	-
In GEL	1,186	-
In Foreign Currency	427	-
Term deposits	1,570	-
In GEL	568	-
In Foreign Currency	1,002	-
Total amounts due to customers	3,183	-

15. SUBORDINATED BORROWINGS AND OTHER BORROWED FUNDS

Subordinated borrowings and other borrowed funds for the 31 December 2025 and 2024 are presented as follows:

	31 December 2025	31 December 2024
Principal	151,481	112,495
Interest Payable	3,261	1,210
Total subordinated borrowings and other borrowed funds	154,742	113,705

Details regarding subordinated borrowings and other borrowed funds are given in the tables below:

	Currency	Nominal Interest Rate	Year of Maturity	31 December 2025
Secured loans				-
Unsecured loans				
From international financial institutions	USD	7.3%-8.2%	2026-2030	50,000
From international financial institutions	GEL	12.5% - 12.8%	2026-2028	24,285
Subordinated loans	USD	8.00%	2028	5,335
From related parties	USD	4% - 7%	2026-2027	2,979
From related parties	GEL	12.5% - 13.1%	2026	548
From related parties	EUR	3.10%	2026	52
Other legal entities	USD	5.65%	2026	564
Other legal entities	GEL	12.5% - 13.1%	2026-2027	759
Bonds	GEL	12%	2026-2027	60,834
From individuals	USD	4.7% - 7.15%	2026-2027	4,460
From individuals	GEL	12.5% - 13.3%	2026-2027	4,891
From individuals	EUR	3.10%	2026	35
Total subordinated borrowings and other borrowed funds				154,742

15. SUBORDINATED BORROWINGS AND OTHER BORROWED FUNDS (CONTINUED)

	Currency	Nominal Interest Rate	Year of Maturity	31 December 2024
Secured loans				
From local financial institutions	GEL	11%-16%	2025	20,787
Unsecured loans				
From international financial institutions	USD	6%-9%	2025-2027	41,649
From international financial institutions	GEL	15%-15%	2025-2026	5,550
Subordinated loans	USD	0.09	2028	5,562
From related parties	USD	8%-11%	2025-2026	1,334
From related parties	GEL	11%-15%	2025-2026	241
Other legal entities	GEL	13%-15%	2025	1,059
Bonds	GEL	13%-15%	2026	30,041
From individuals	USD	2%-7%	2025-2026	2,436
From individuals	GEL	12%-15%	2025-2026	5,015
From individuals	EUR	3%	2025	31
Total subordinated borrowings and other borrowed funds				113,705

On December 27, 2024, the Micro Bank issued bonds worth GEL30,000 GEL, the interest rate of which was determined from its nominal value, and amounts to 425 basis points (spread) plus TIBR3M, including taxes established by law. Interest accrual will take place on a 365 day per year basis. The accrued interest will be paid four times a year on March 27, June 27, September 27 and December 27.

In the first half of 2025, the microbank issued bonds totaling GEL 22 million, the majority of which were used to refinance loans obtained from commercial banks, with the remaining portion funding the growth of the loan portfolio. The interest rate is determined based on the nominal value of the bonds and equals 400 basis points above the Tbilisi Interbank Offered Rate (TIBR3M), inclusive of statutory taxes. Interest is accrued on a 365-day basis and is payable quarterly, four times per year.

In the second half of 2025, the microbank issued bonds totaling GEL 30 million, primarily to refinance bonds issued in 2024, with the remaining portion used to fund the growth of the loan portfolio. The interest rate is determined based on the nominal value and equals 400 basis points above the Tbilisi Interbank Offered Rate (TIBR3M), inclusive of statutory taxes. Interest is accrued on a 365-day basis and is payable quarterly, four times per year.

Each bond issuance has a maturity of two years, which has helped the Company extend the duration of the funds raised.

Changes in borrowings and subordinated borrowings arising from financing activities, including both changes arising from cash flows and non-cash changes can be presented as follows:

	2025	2024
At the beginning of the year	113,705	90,046
Repayments	(58,343)	(181,804)
Proceeds	99,359	203,060
Interest paid	(11,480)	(10,520)
Net Cash flows:		
Interest expense	13,654	11,003
The effect of changes in foreign exchange rates	(2,153)	1,920
At the end of the year	154,742	113,705

16. OTHER LIABILITIES

The entity's other liabilities as of December 31, 2025 and December 31, 2024, are in the table below:

	31 December 2025	31 December 2024
Salaries Payable	1,458	1,117
Financial liabilities at fair value through profit or loss	225	246
Payables from received services	97	586
Accrued liability	69	-
Other	150	210
Total Other Liabilities	1,999	2,159

17. SHARE CAPITAL AND RESERVES

As at 31 December 2025 shareholders owned shares of the Micro Bank and comprise the Shareholder Group:

Shareholder	Percentage of total ordinary shares	Number of ordinary shares	Number of preference shares (A Class)	Number of preference shares (B Class)
Gia Petriashvili	30.95%	716,000	49,000	100
Otar Rukhadze	14.05%	325,000	108,000	400
Manana Giorgadze	9.06%	209,500	33,750	125
Taras Nizharadze	8.04%	186,000	99,900	190
Murman Ambroladze	7.78%	180,000	13,500	50
Goderdzi Meladze	6.48%	150,000	40,500	150
Giorgi Gotoshia	6.48%	150,000	13,500	50
Giorgi Vachanidze	5.34%	123,500	14,850	55
JB LLC	2.59%	60,000	27,000	100
Eter Chachibaia	2.59%	60,000	-	-
Giorgi Ghvaladze	2.59%	60,000	-	-
Nino Devdariatni	2.59%	60,000	-	-
Tatia Jajanashvili	1.45%	33,500	-	-
	100.00%	2,313,500	400,000	1,220

As at 31 December 2024 shareholders owned shares of the Micro Bank and comprise the Shareholder Group:

Shareholder	Percentage of total ordinary shares	Number of ordinary shares	Number of preference shares (A Class)	Number of preference shares (B Class)
Gia Petriashvili	31.76%	716,000	27,000	100
Otar Rukhadze	14.42%	325,000	108,000	400
Tengiz Maziashvili	9.29%	209,500	33,750	125
Taras Nizharadze	8.25%	186,000	99,900	190
Murman Ambroladze	7.98%	180,000	13,500	50
Goderdzi Meladze	6.65%	150,000	40,500	150
Giorgi Gotoshia	6.65%	150,000	13,500	50
Giorgi Vachanidze	5.48%	123,500	14,850	55
JB LLC	2.66%	60,000	27,000	100
Eter Chachibaia	2.00%	45,000	-	-
Giorgi Ghvaladze	1.95%	44,000	-	-
Tatia Jajanashvili	1.49%	33,500	-	-
Nino Devdariatni	1.42%	32,000	-	-
	100.00%	2,254,500	378,000	1,220

17. SHARE CAPITAL AND RESERVES (CONTINUED)

Issued capital

As at 31 December 2024 and 2023 authorized, issued and outstanding share capital comprises 2,254,000 ordinary shares. All shares have a nominal value of GEL 1.

Difference between nominal value and market price is recognised as a share premium. As at 31 December 2024 and 2023 share premium amounts GEL 1,136 thousand.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual and general meetings of the Micro Bank.

Preference shares

During 2018, the Micro Bank issued 2,800 non-redeemable preference shares with nominal value of USD1,000. In 2022, according to minutes of the meeting #14, 50% of class B preference shares were converted into class A preference shares and the change was reflected in register of shares of the Micro Bank in January 2023. Nominal value of A class preference shares is GEL10. The ability to pay dividends is subject to the Micro Bank's financial condition and results of operations and other factors considered by Annual General Meeting.

In August 2023, in line with shareholders decision, the Micro Bank repurchased 180 B class preference shares from Taras Nizharadze with nominal value of GEL475 and it was converted into subordinated loan from shareholder.

Dividend payments on class A preference shares will be made at a variable rate, which consists of two components: the monetary policy rate approved by the National Bank of Georgia ("Refinancing rate") and rate approved by general meeting of shareholders, which is 6.5%. Dividend payment on class B preferred shares are made at a fixed rate of 10%. According the Charter of the Micro Bank, if based on the decision of AGM dividends on preference shares will not be paid two times in a row or dividend rate will be decreased, the holder of the preference shares has right to convert its preference shares into ordinary shares.

The share structure is presented as follows:

Shares	Nominal (Par) Value per Share	Carrying Value per Share
Common Shares	1.00	9.23
Class A Preferred Shares	10.00	10.00
Class B Preferred Shares	1,000.00	2,630.52

Subscribed capital

In accordance with the Law of Entrepreneurs of Georgia, the Micro Bank hereby declares that its share capital and preference shares fully represent the subscribed capital, amounting to GEL 9,244 thousand as at 31 December 2024 and 2023.

Dividends

Dividends payable is restricted to the maximum of retained earnings of the Micro Bank, which are determined according to Georgian legislation. In 2024 the Micro Bank declared preference dividends at amount of GEL 866 (2023: GEL 444).

18. NET INTEREST INCOME/EXPENSE

Net interest income as of 31 December 2025 and 2024 is presented as follows:

	2025	2024
Loans to customers	36,346	29,794
Placement with banks	665	350
Receivable from Related party	-	138
Total interest income, net	37,011	30,282

18. NET INTEREST INCOME/EXPENSE (CONTINUED)

Net interest expense as of 31 December 2025 and 2024 is presented as follows

	2025	2024
Bonds	(5,766)	(2,001)
Borrowings from international financial institutions	(5,561)	(3,570)
Borrowings from individuals	(1,262)	(977)
Borrowings from financial institutions	(770)	(4,010)
Leases	(482)	(417)
Deposits	(45)	-
Other borrowings	(295)	(311)
Total interest expense, net	(14,181)	(11,286)

19. OTHER OPERATING EXPENSES

Other operating expenses for the ended years December 31, 2025 and 2024 are presented in the table below:

	2025	2024
Advertising and marketing	(940)	(727)
Bank charges	(373)	(133)
Office supplies	(348)	(319)
Tax expenses other than income tax	(243)	(220)
Communication	(234)	(190)
Loss from sale and impairment of repossessed properties	(230)	(309)
Utilities	(204)	(183)
Consulting*	(171)	(249)
Insurance expenses	(119)	-
Security	(98)	(86)
Rent	(85)	(56)
Transportation	(65)	(65)
Business trip expenses	(23)	(66)
Application inspection	-	(197)
Other	(282)	(198)
	(3,415)	(2,998)

* For 2025 and 2024, professional fees paid to the audit firm for the provision of audit services comprised GEL 68 and GEL 71, respectively.

20. COMMITMENTS AND CONTINGENCIES

Litigation - In the ordinary course of business, companies are usually subject to legal actions and complaints.

Following the Micro Bank's customers' failure to meet loan repayment obligations the Micro Bank is involved in legal disputes against such customers. The highest possible outcome from such legal disputes is the amount of loans receivable from such customers (including accrued interest and other charges).

Management is unaware of any significant actual, pending or threatened claims against the Micro Bank.

Compliance with covenants - The Micro Bank is subject to certain covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Micro Bank including declaration of default.

The Micro Bank has complied with all the financial covenants stipulated by lending agreements as of 31 December 2024 and 2023.

Taxation contingencies - The taxation system in Georgia is relatively new and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. In the event

20. COMMITMENTS AND CONTINGENCIES (CONTINUED)

of a breach of tax legislation, no liabilities for additional taxes, fines or penalties may be imposed by the tax authorities after three years have passed since the end of the year in which the breach occurred.

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

Financial guarantees - As at 31 December 2024 and 2023 the Micro Bank has financial guarantee of GEL 2,200 thousand to a Georgian Commercial Bank to secure loan of a related party with premium rate of 1.5%-2%. The period of the guarantee is 10 years (5 years to maturity). The loan is secured by the property, for which the related party obtained the loan. The property (residential-commercial building in Tbilisi) is pledged under the same loan as a primary security. Based on management's assessment, there is a remote chance of default. As at 31 December 2024 and 2023 the Micro Bank allocated financial guarantee in Stage 1 for the purposes of identifying expected credit loss under IFRS 9. Management estimates that ECL is immaterial at reporting date.

Undrawn loan facilities - The microbank presents its undrawn loan facilities based on the contractual terms and its established practices regarding the disbursement of such amounts. These balances are recognized as liabilities where the microbank has a customary practice of disbursing undrawn amounts without requiring further approval. As at 31 December 2025 and 2024, the balance of undrawn loan facilities amounted to 471 thousand GEL and 389 thousand GEL, respectively.

Management report - In accordance with the Law of Georgia on Security Markets (article 11) the Micro Bank has an obligation to prepare and submit Management Report to the State Regulatory Authority, together with Independent Auditors' Report no later than 15 May of the year following the reporting period. The Micro Bank has not prepared the Management Report at the date of issue of the financial statements.

Regulations of National Bank of Georgia - The Micro Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Micro Bank's capital is monitored using, among other measures, the ratios established by the National Bank of Georgia in supervising the Micro Bank.

The primary objectives of the Micro Bank's capital management are (i) to ensure that the Micro Bank complies with externally imposed capital requirements set by the NBG, (ii) to safeguard the Micro Bank's ability to continue as a going concern and the Micro Bank's capital is monitored daily and monthly with reports outlining their calculation reviewed and subsequently submitted to the NBG.

The Micro Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Micro Bank may reassess its business strategy or adjust the amount of return capital to shareholders or issue capital securities.

According to the NBG regulations about capital adequacy (Decree N111/04 - 21 June 2023) capital requirements consist of a Pillar 1 minimum requirement (4.5%, 6.0%, 8.0% for CET1, Tier1 and Total Capital consequently), combined buffers (countercyclical and conservation buffers that were set at 0.25% and 2.5% respectively as at 31 December 2024) and Pillar 2 buffers.

Under total Basel III requirements the Micro Bank was required to maintain a minimum regulatory capital ratio, Tier 1 capital adequacy ratio and Common Equity Tier 1 capital adequacy ratio of 14.01%, 11.38% and 9.41%. The Micro Bank was in compliance with these capital adequacy ratios as at 31 December 2024.

The calculation of the capital adequacy ratios in accordance with the IFRS-based NBG rules and capital adequacy Basel III framework as at 31 December 2025:

	2025
Tier 1 capital	27,812
Supplementary capital	2,098
Total regulatory capital	29,910
Risk weighted assets	165,241
Regulatory capital ratio	18.10%
Common Equity Tier 1 capital adequacy ratio/tier 1 capital adequacy ratio	16.83%

*These amounts are unaudited.

20. COMMITMENTS AND CONTINGENCIES (CONTINUED)

As at 31 December 2024 and as at the date these financial statements were authorized for issue (unaudited), the Micro Bank was in compliance with the minimum regulatory capital requirements.

21. TRANSACTIONS WITH RELATED PARTIES

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Details of transactions between the Micro Bank and other related parties are disclosed below.

Related party balances and transactions as and for the year ended 31 December 2025:

2025	Shareholder	Other related parties	Key management personnel
Other assets	-	38	-
Subordinated borrowings	(4,224)	(1,028)	(1,549)
Customer accounts	(92)	(18)	(411)
Lease liabilities	-	(2,264)	-
Short-term employee benefits	-	-	(3,227)
Interest expense	(291)	(262)	(120)

Related party balances and transactions as and for the year ended 31 December 2024:

2024	Shareholder	Other related parties	Key management personnel
Subordinated borrowings	4,427	1,136	-
Other borrowed funds	1,134	440	-
Lease liabilities	-	3,005	-
Other liabilities	-	-	610
Fee and commission income	-	34	-
Interest income	-	137	-
Short-term employee benefits	-	-	(1,532)
Interest expense	(433)	(119)	-

22. EVENTS AFTER REPORTING PERIOD

Non-Adjusting:

Dividends - On January 30, 2026, by decision of the Supervisory Board, the Microbank declared preferred dividends in the amount of GEL 454 thousand.