

**NON-BANKING CREDIT
ORGANIZATION "VIATOR
MICROCREDIT AZERBAIJAN" LIMITED
LIABILITY COMPANY**

**Financial Statements and
Independent Auditors' Report**
For the Year Ended December 31, 2025



NR ProAudit

— AUDIT & CONSULTING FIRM —

NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT AZERBAIJAN" LIMITED LIABILITY COMPANY

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

The following statement is made with a view to distinguish the respective responsibilities of the management and those of the independent auditors in relation to the financial statements of Non-Banking Credit Organization "Viator Microcredit Azerbaijan" Limited Liability Company (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2025, the results of its operations, changes in equity and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

In preparing the financial statements, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS Accounting Standards;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Azerbaijan;
- Taking such steps that are reasonably available to them to safeguard the assets of the Company; and
- Detecting and preventing fraud, errors and other irregularities.

The financial statements for the year ended December 31, 2025 were authorized for issue on April 23, 2026 by the Management of the Company.

On behalf of the Management:

Aynur Aliyeva
Executive Director

April 23, 2026
Baku, the Republic of Azerbaijan

Ruslan Garayev
Finance Manager

April 23, 2026
Baku, the Republic of Azerbaijan



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INDEPENDENT AUDITORS' REPORT

To the Shareholder and the Management of Non-Banking Credit Organization "Viator Microcredit Azerbaijan" Limited Liability Company:

Opinion

We have audited the financial statements of Non-Banking Credit Organization "Viator Microcredit Azerbaijan" Limited Liability Company (the "Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other 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 policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter

Allowance for expected credit losses on loans to customers

As at December 31, 2025, loans to customers represent 90% of total assets and are measured net of an allowance for expected credit losses ("ECL"), which is sensitive to assumptions used and estimates made on a regular basis.



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The measurement of expected credit losses requires management to apply significant judgment and estimation techniques, taking into account historical observable data, current economic conditions, and forward-looking information in determining the probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD").

The allowance for credit losses on loans to customers is considered a key audit matter due to the significance of the Company's financial asset balances and the complexity and judgment involved in calculating ECL in accordance with IFRS 9 "Financial Instruments".

How the matter was addressed in our audit

We involved our financial risk management specialists to assist us in evaluating key aspects of the Company's methodology and internal policies related to the ECL assessment for compliance with the requirements of IFRS 9 "Financial Instruments".

To assess the appropriateness of management's judgments and assumptions underlying the ECL allowance, we performed the following procedures:

We tested the accuracy of data used in the calculation of PD, LGD, and EAD for loans to customers, including the timely recording of arrears and loan repayments in the underlying systems, and the appropriate staging of loans. On a sample basis, we agreed data included in supporting documentation.

We also assessed whether the disclosures in the financial statements appropriately reflect the Company's exposure to credit risk.

Other matter

The financial statements of the Company for the year ended December 31, 2024 have been audited by an independent auditor, who expressed an unmodified opinion on those financial statements on April 11, 2025.

As a part of the audit of the financial statements for the year ended December 31, 2025, we also audited the adjustments described in Note 7 that were applied to the financial statements for the year ended December 31, 2024. We were not engaged to audit the financial statements of the Company for the year ended December 31, 2024 other than with respect to the adjustments, if any, accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

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 Accounting Standards, and for such internal control as management determines



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is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;



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- 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.


April 23, 2026
Baku, the Republic of Azerbaijan



**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT AZERBAIJAN"
LIMITED LIABILITY COMPANY**

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025**

(In Azerbaijani manats, unless otherwise indicated)

	Notes	December 31, 2025	December 31, 2024 (Restated)*
ASSETS			
Cash and cash equivalents	8	273,830	126,659
Loans to customers	9	9,266,473	7,775,396
Property, equipment and intangible assets	10	523,705	485,537
Right of use assets	11	63,547	25,108
Deferred tax asset		-	44,974
Other assets	12	162,523	25,422
TOTAL ASSETS		10,290,078	8,483,096
LIABILITIES			
Term-borrowings	13	3,365,063	1,373,542
Debt securities in issue	14	515,556	1,028,121
Lease liability	15	69,831	29,065
Deferred tax liability	16	11,085	-
Other liabilities	17	50,559	43,866
TOTAL LIABILITIES		4,012,094	2,474,594
EQUITY			
Charter capital	18	693,774	693,774
Revaluation surplus		60,456	74,760
Retained earnings		5,523,754	5,239,968
TOTAL EQUITY		6,277,984	6,008,502
TOTAL LIABILITIES AND EQUITY		10,290,078	8,483,096

*Refer to Note 7.

On behalf of the Management:

Aynur Aliyeva
Executive Director

April 23, 2026
Ganja, the Republic of Azerbaijan

Ruslan Garayev
Finance Manager

April 23, 2026
Ganja, the Republic of Azerbaijan

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT AZERBAIJAN"
LIMITED LIABILITY COMPANY**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025**
(In Azerbaijani manats, unless otherwise indicated)

	Notes	Year ended December 31, 2025	Year ended December 31, 2024 (Restated)*
Interest income calculated using the effective interest method	19	2,687,826	1,871,530
Interest expense	19	(471,447)	(392,262)
Net interest income before provision for impairment losses on interest bearing assets		2,216,379	1,479,268
Reversal of provision for impairment losses on interest bearing assets	9	-	412
Provision for impairment losses on interest bearing assets	9	(65,475)	-
Recovered amounts of written-off loans		248,415	876,994
Gain on recovery of written-off loans		-	258,756
Loss on write-off of non-performing loans		-	-
Net interest income		2,399,319	2,615,430
Other income, net		8,627	50,251
Administrative and other operating expenses	20	(2,049,055)	(1,769,321)
Net foreign exchange loss		(139)	(152)
Profit before income tax		358,752	896,208
Income tax expense	16	(4,270)	(105,891)
Profit for the year		354,482	790,317
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		354,482	790,317

*Refer to Note 7.

On behalf of the Management:

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Executive Director

April 23, 2026
Ganja, the Republic of Azerbaijan

Ruslan Garayev
Finance Manager

April 23, 2026
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**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT AZERBAIJAN"
LIMITED LIABILITY COMPANY**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025**
(In Azerbaijani manats, unless otherwise indicated)

	Charter capital	Revaluation surplus	Retained earnings	Total Equity
January 1, 2024 (Restated)*	693,774	89,064	4,435,347	5,218,185
Total comprehensive income for the year	-	-	790,317	790,317
Amortization of revaluation surplus	-	(14,304)	14,304	-
December 31, 2024 (Restated)*	693,774	74,760	5,239,968	6,008,502
Total comprehensive income for the year	-	-	354,482	354,482
Dividends declared	-	-	(85,000)	(85,000)
Amortization of revaluation surplus	-	(14,304)	14,304	-
December 31, 2025	693,774	60,456	5,523,754	6,277,984

*Refer to Note 7.

On behalf of the Management:


Aynur Aliyeva
Executive Director

April 23, 2026
Ganja, the Republic of Azerbaijan


Ruslan Garayev
Finance Manager

April 23, 2026
Ganja, the Republic of Azerbaijan

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**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT AZERBAIJAN"
LIMITED LIABILITY COMPANY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**
(In Azerbaijani manats, unless otherwise indicated)

	Notes	Year ended December 31, 2025	Year ended December 31, 2024 (Restated)*
CASH FLOWS RELATED TO OPERATING ACTIVITIES:			
Interest received		2,751,298	1,913,856
Interest paid		(448,847)	(370,780)
Recovered amounts		248,415	876,994
Operating expenses paid		(1,939,423)	(1,704,302)
Income tax paid		(121,000)	(84,000)
Net cash from operating activities before changes in operating assets and liabilities		490,443	631,768
Net (increase)/decrease in operating assets:			
Loans to customers		(1,481,755)	553,389
Other assets		(137,101)	9,345
Net increase/(decrease) in operating liabilities:			
Other liabilities		6,693	(38,007)
Net cash (used in)/from operating activities		(1,121,720)	1,156,495
CASH FLOWS RELATED TO INVESTING ACTIVITIES:			
Acquisition of property, equipment and intangible assets		(88,505)	(126,846)
Proceeds from the sale of property, equipment and intangible assets		-	41,000
Net cash used in investing activities		(88,505)	(85,846)
CASH FLOWS RELATED TO FINANCING ACTIVITIES:			
Proceeds from term-borrowings	13	4,467,502	1,000,000
Repayment of term-borrowings	13	(2,492,491)	(2,875,733)
Issue of corporate bonds	14	-	1,000,000
Repayment of corporate bonds	14	(500,000)	(350,000)
Repayment of principal portion of lease liabilities	15	(32,476)	(29,252)
Dividends paid		(85,000)	-
Net cash from/(used in) financing activities		1,357,535	(1,254,985)
Effect of exchange rate changes on cash and cash equivalents		(139)	(152)
Net increase/(decrease) in cash and cash equivalents		147,171	(184,488)
CASH AND CASH EQUIVALENTS, at the beginning of the year	8	126,659	311,147
CASH AND CASH EQUIVALENTS, at the end of the year	8	273,830	126,659

*Refer to Note 7.

On behalf of the Management:

Aynur Aliyeva
Executive Director

April 23, 2026
Ganja, the Republic of Azerbaijan

Ruslan Garayev
Finance Manager

April 23, 2026
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The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

**NON-BANKING CREDIT ORGANIZATION “VIATOR MICROCREDIT
AZERBAIJAN” LIMITED LIABILITY COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**
(In Azerbaijani manats, unless otherwise indicated)

1. INTRODUCTION

Non-Banking Credit Organization “Viator Microcredit Azerbaijan” Limited Liability Company (the “Company”) was registered under the laws of the Republic of Azerbaijan on December 30, 2002 with tax identification number 1400163551. The principal activity of the Company is to provide financial services, including loans to representatives of micro, small and medium-sized businesses and individuals in the Republic of Azerbaijan. The activities of the Company are regulated by the Central Bank of the Republic of Azerbaijan (“CBRA”) and business functions are performed under the non-bank credit organization’s license no. “136-QB” for limited banking operations issued by the CBRA.

As at December 31, 2025, share capital amounted to AZN 693,774 and consists of 100 shares with a face value of AZN 6,937.74 (As at December 31, 2024, share capital amounted to AZN 693,774 and consists of 100 shares with AZN 6,937.74 face value per share). The controlling party of the Company is by Viator AS (Kingdom of Norway).

The legal address of the Company is 44 Jafar Jabbarli Street, Baku and the location of its head office is 207 N. Narimanov Avenue, Ganja, the Republic of Azerbaijan.

The structure of shareholding of the Company as at December 31, 2025 and December 31, 2024 was as follows:

	December 31, 2025, %	December 31, 2024, %
Viator AS (Kingdom of Norway).	100	100
	<u>100</u>	<u>100</u>

2. OPERATING ENVIRONMENT OF THE COMPANY

The Company’s operations are conducted in the Republic of Azerbaijan. The Company is exposed to the economic and financial markets of Azerbaijan, which display characteristics of an emerging market. The legal, tax, and regulatory frameworks continue to develop but remain subject to varying interpretations and frequent changes, which, together with other legal and fiscal impediments, contribute to the challenges faced by entities operating in Azerbaijan.

The global economy continued to adjust during 2024 and 2025 following earlier disruptions to supply chains, geopolitical tensions related to the conflict between the Russian Federation and Ukraine and changes in global demand patterns. Inflationary pressures moderated compared to prior years, although commodity prices remained sensitive to geopolitical developments and shifts in global trade flows.

During 2025, the Azerbaijani economy continued to demonstrate overall macroeconomic stability, supported by government-led economic reforms, a stable exchange rate regime, and adequate foreign exchange reserves.

According to preliminary data Azerbaijan’s GDP in 2025 amounted to AZN 129.1 billion (USD 75.9 billion), representing a 1.4% increase compared to 2024. Value added in the oil and gas sector decreased by 1.6%, while value added in the non-oil sector increased by 2.7%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

During January–November 2025, Azerbaijan's foreign trade turnover amounted to USD 43.8 billion. Exports of goods accounted for USD 22.6 billion, while imports of goods accounted for USD 21.2 billion, resulting in a positive trade balance of USD 1.5 billion.

According to the Central Bank of the Republic of Azerbaijan (CBAR), the consumer price index (CPI) for the period January–December 2025 was 105.6% compared to the same period of the previous year. The CBAR continued its efforts to manage monetary conditions and maintain the stability of the Azerbaijani manat. The policy rate was adjusted in response to global inflation trends with the refinancing rate set at 7.0% as of December 31, 2025 (December 31, 2024: 7.25%).

As at December 31, 2025, Azerbaijan's strategic foreign exchange reserves amounted to approximately USD 83.5 billion, compared to USD 71 billion at December 31, 2024, reflecting a significant increase that supported the stability of the Azerbaijani manat and overall macroeconomic resilience.

Fitch Ratings affirmed Azerbaijan's long term foreign currency credit rating at 'BBB' with a Stable Outlook in 2025, reflecting strong fiscal performance, robust external balances, and substantial sovereign assets.

The future economic growth of the Republic of Azerbaijan is largely dependent upon the effectiveness of economic, financial, and monetary measures undertaken by the Government, together with tax, legal, regulatory, and political developments. Management is unable to predict all developments in the economic environment that could impact the Company's operations and, consequently, cannot determine what effect, if any, they could have on the financial position of the Company.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below:

Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Key measurement terms

Going concern

These financial statements have been prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future.

The management views the Company as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations of the Republic of Azerbaijan.

Accordingly, assets and liabilities are recorded on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Some financial reporting frameworks contain an explicit requirement for management to make a specific assessment of the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

Company's ability to continue as a going concern, and standards regarding matters to be considered and disclosures to be made in connection with going concern.

Management's assessment of the going concern assumption involves making a judgment, at a particular point in time, about the future outcome of events or conditions which are inherently uncertain.

Financial instruments

Financial instrument is any contract that gives rise to a financial asset of the Company and a financial liability or equity instrument of another entity.

Depending on their classification, financial instruments are carried at fair value or amortized cost as described below.

Fair value is 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. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available.

Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL").

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method.

Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument.

The effective interest rate discounts gross cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial instruments – initial recognition

When financial assets are initially recognized, they are classified accordingly in one of the following categories: (1) financial assets recognized at fair value through profit or loss (FVTPL), and (2) financial assets recognized at fair value in other comprehensive income (FVTOCI) or (3) financial assets recorded at amortized cost ("AC").

Financial instruments at FVTPL, if any, are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date that the Company commits to deliver a financial asset. All other purchases are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories

The Company classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depend on: (I) the Company's business model for managing the related assets portfolio and (II) the cash flow characteristics of the asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

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

- the asset is held within a business model whose objective is to hold assets 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.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business 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 the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. The reclassification has a prospective effect.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
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Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortised cost of the financial asset.

If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

The Company's majority of financial assets were classified as financial assets measured subsequently at amortized cost. The Company's financial liabilities were classified as financial liabilities measured subsequently at amortized cost. The Company does not choose to classify any financial liabilities as measured at fair value through profit or loss.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- loan commitments issued;

12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as "Stage 1" financial instruments.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized are referred to as "Stage 2" financial instruments (if the credit risk has increased significantly since initial recognition, but the financial instruments are not credit-impaired) and "Stage 3" financial instruments (if the financial instruments are credit-impaired).

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

Evidence that a financial asset is credit-impaired includes the following observable data:

- the borrower is past due more than 90 days on any material credit obligation to the Company,
- restrictions on the use of account balances or late payments on the Company's bank deposits last more than 7 days,
- significant financial difficulty of the borrower,
- the restructuring of a loan on terms that the Company would not consider otherwise.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL for financial assets measured at amortized cost are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

Write-offs

Loans to customers are written off when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'expected credit losses' in the statement of profit or loss and other comprehensive income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Fair value measurement

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
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Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

De-recognition of financial liabilities

The Company removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash in transit, deposits held at banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortized cost using the effective interest method. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
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Loans to customers

Loans to customers' caption in the year-end statement of financial position includes loans to customers measured at amortized cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method.

Property and equipment

Property, equipment and intangible assets, except buildings, are carried at historical cost less accumulated depreciation and amortization and any recognized impairment loss.

Depreciation and amortization are charged on the carrying value of property, equipment and intangible assets and is designed to write-off assets over their useful economic lives. The estimated useful lives, residual values and depreciation/amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis at the following useful lives:

Right-of-use assets	depends on lease term
Buildings and facilities	2%
Computer and other equipment	20-25%
Furniture and fixtures	20-25%
Vehicles	10-20%
Intangible assets	10-20%

Expenses related to repairs and renewals are charged when incurred and included in operating expenses unless they qualify for capitalization.

Buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional independent appraisers, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Market value of property is assessed using the market approach method which involves analysis of market sales prices for similar real estate property which was also equal to the fair value of building under IFRS 13.

Any revaluation increase arising on the revaluation of such buildings is credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit and loss accounts. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated deficit.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit and loss accounts, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT
AZERBAIJAN" LIMITED LIABILITY COMPANY**

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Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss accounts, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

An item of property, equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit and loss accounts.

Intangible assets

Intangible assets include investment into software license and its customization.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. Estimated useful lives for intangible assets are 10 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liability is generally recognized for all taxable temporary differences and a valuation allowance is recognized against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
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Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Provision is made for deferred taxation on all temporary differences which arise because the carrying amount of an asset or liability in the balance sheet differs from its tax base. It is calculated at the tax rates that are expected to apply to the period when it is anticipated the liabilities will be settled, and it is based on the rates (and laws) that have been enacted at the balance sheet date. Movements in deferred taxation are charged or credited to the statement of income.

Borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right-of-use of the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term,

If the ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are presented separately from other liabilities. If the lessee does not present lease liabilities separately in the statement of financial position, the lessee discloses which line items in the statement of financial position include those liabilities.

Other liabilities

Other liabilities are accrued when the counterparty performs its obligations under the contract and are carried at amortized cost using the effective interest method.

Share capital

Share capital is the amount of capital contributed by the shareholder of the Company. The Company may increase or decrease its share capital within approval of the shareholders.

Contribution or withdrawal of funds by the shareholders other than share capital is recognized in other capital.

Dividends on ordinary shares are recognized in equity as a reduction in the period in which they are declared. Dividends that are declared after the reporting date are treated as a subsequent event under IAS 10 "Events after the Reporting Date" and disclosed accordingly.

Other reserves

Other reserves represent the difference between increase in share capital amount and carrying value of the investment property determined by independent valuer at the date of initial recognition.

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Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

The effective interest rate is also revised for fair value hedge adjustments at the date amortization of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Presentation

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

Recognition of other income and expenses

Other income and expenses are recognized on an accrual basis.

Employee benefits

Wages, salaries, contributions to the State Social Protection Fund of the Republic of Azerbaijan and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services and food) are accrued in the year in which the associated services are rendered by the employees of the Company.

Contingent liabilities and assets

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

**NOTES TO THE FINANCIAL STATEMENTS
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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING
ACCOUNTING POLICIES**

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

Fair value measurement of financial instruments

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Measurement of ECL allowance

Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 21. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios.

The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience. For details of ECL measurement, including incorporation of forward-looking information refer to Note 21.

The Company recognized expected credit loss allowance in the amount of AZN 626,046 as at December 31, 2025 (December 31, 2024: AZN 19,366). (See Note 9).

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Significant increase in credit risk ("SICR")

In order to determine whether there has been a significant increase in credit risk, the Company compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Company considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioral aspects of particular customer portfolios. The Company identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level. Refer to Note 21.

Current taxes

Tax, currency and customs legislation is subject to varying interpretations and changes occur frequently. Further, the interpretation of tax legislation by tax authorities as applied to the transactions and activity of the Company may not coincide with that of management. As a result, tax authorities may challenge transactions and the Company may be assessed additional taxes, penalties and interest, which can be significant. Periods remain open to review by the tax and customs authorities with respect to tax liabilities for three calendar years preceding the year of review. Under certain circumstances, reviews may cover longer periods.

Deferred tax asset recognition

The net deferred income tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded on the statement of financial position. Deferred income tax assets are recorded to the extent that realization of the related tax benefit is probable. In determining future taxable profits and the amount of tax benefits that are probable in the future, management makes judgements and applies estimates based on the expectations of future income that are believed to be reasonable under the circumstances.

Valuation of lease liabilities and right-of-use assets

The application of IFRS 16 requires to make judgements of right-of-use assets and lease liabilities. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise renewal options (or not to exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities.

The weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 13% as at December 31, 2025 and December 31, 2024.

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5. ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

In the current year, the Company has adopted all of the applicable new and revised Standards and Interpretations issued by the IASB and the IFRIC of the IASB that are relevant to its operations and effective for the year ended December 31, 2025.

On August 2023 IASB amended IAS 21 **"The Effects of Changes in Foreign Exchange Rates"** to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency, with a normal administrative delay, and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with the option for early adoption.

Unless otherwise disclosed, the new standards did not have a material effect on the financial statements of the Company.

6. STANDARDS AND INTERPRETATIONS ISSUED AND NOT YET ADOPTED

At the date of authorization of these financial statements, other than the Standards and Interpretations adopted by the Company in advance of their effective dates, the following

Interpretations were in issue but not yet effective. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

On May 30, 2024, the IASB issued amendments to **IFRS 9 "Financial Instruments"** and **IFRS 7 "Financial Instruments: Disclosures"** concerning the classification and measurement of financial instruments. Key changes include:

- **Derecognition of financial liabilities:** Allows liabilities settled via electronic transfer to be considered discharged prior to the settlement date under specified criteria.
- **Classification of financial assets:** Provides guidance on assessing contractual terms for basic lending arrangements, enhances the definition of non-recourse features, and clarifies characteristics of contractually linked instruments.
- **Disclosures:** Introduces new requirements for equity investments at fair value through OCI and for contingent terms affecting cash flows.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with retrospective application allowed and early adoption permitted.

The IASB also issued amendments to **IFRS 9 and IFRS 7** in May 2024 addressing accounting and disclosure requirements for contracts referencing nature-dependent electricity. The amendments enhance transparency of the effects of such contracts on an entity's liabilities, cash flows, and liquidity risk. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted.

On July 18, 2024, the IASB published **"Annual Improvements to IFRS Accounting Standards - Volume 11"**.

**NOTES TO THE FINANCIAL STATEMENTS
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(In Azerbaijani manats, unless otherwise indicated)

This publication includes the following amendments:

- IFRS 1: Clarifications on hedge accounting for first-time adopters.
- IFRS 7: Guidance on recognizing gains or losses on derecognition.
- IFRS 7: Improved disclosures for deferred differences between fair value and transaction price.
- IFRS 7: Enhancements to introduction and credit risk disclosures.
- IFRS 9: Clarifications on lessee derecognition of lease liabilities.
- IFRS 9: Additional guidance on transaction price determination.
- IFRS 10: Clarifications on the determination of a 'de facto agent.'
- IAS 7: Improvements related to the cost method.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

On April 9, 2024, the IASB issued a new standard – **IFRS 18, "Presentation and Disclosure in Financial Statements"** – in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information.

In May 2024 the IASB published the new standard **IFRS 19 "Subsidiaries without Public Accountability: Disclosures"**, which permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 when:

- it is a subsidiary;
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The new standard is effective for reporting periods beginning on or after January 1, 2027 with earlier application permitted.

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In August 2025, the IASB issued amendments to **IAS 21 - The Effects of Changes in Foreign Exchange Rates (Hyperinflationary Presentation Currency)** to clarify how an entity determines its presentation currency in a hyperinflationary environment and how it measures foreign currency transactions when a currency lacks exchangeability. An entity is impacted when it has a transaction or operation in a foreign currency that is not exchangeable for another currency at a measurement date. The amendments are effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted.

On June 26, 2023, the International Sustainability Standards Board (ISSB) published the first two IFRS Sustainability Disclosure Standards IFRS S1 "General requirements for the disclosure of sustainability-related financial information" and IFRS S2 "Climate-related disclosures". The standards contain requirements for the disclosure of material information about an entity's significant sustainability-related risks and opportunities that are necessary for investors to evaluate the entity.

IFRS S1 establishes general requirements with the objective of requiring an entity to disclose information about its sustainability-related risks and opportunities. IFRS S1 prescribes how an entity should prepare and present its sustainability-related financial information. It sets out general requirements for the content and presentation of these disclosures so that the information disclosed is useful to primary users of financial reporting in making decisions about the provision of resources to the entity.

IFRS S2 sets out requirements for identifying, assessing and disclosing information about climate-related risks and opportunities that is useful to the primary users of general-purpose financial reporting.

The two standards are to be applied for reporting periods beginning on or after January 1, 2024. Earlier application is permitted. If an entity applies IFRS S1 earlier, it must disclose this accordingly and apply IFRS S2 at the same time. The mandatory application of the ISSB standards is dependent on their adoption by a jurisdiction into applicable law. This does not affect entities' ability to apply the standards voluntarily (in addition). As at the date of this report, these standards were not adopted by the jurisdiction where the company operates.

IFRS 10 "Consolidated Financial Statements" and IAS 28 (amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" – The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

Unless otherwise disclosed, the new standards are not expected to have a material effect on the financial statements of the Company.

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7. RESTATEMENTS AND RECLASSIFICATIONS

During the year ended December 31, 2025, the Management detected certain errors and made certain reclassifications in the financial statements for the year ended December 31, 2024.

The errors presented below have been corrected retrospectively:

Statement of Financial Position	Notes	As Previously Stated January 1, 2024	Restatement /Reclassification Amount January 1, 2024	Restated /Reclassified January 1, 2024
Right of use assets	(a)	-	52,680	52,680
Lease liability	(a)	-	(58,317)	(58,317)
Property, equipment and intangible	(b)	278,164	120,487	398,651
Deferred tax asset	(c)	39,505	1,129	40,634
Retained earnings	(a,b,c)	(4,319,368)	(115,979)	(4,435,347)

Statement of Financial Position	Notes	As Previously Stated December 31, 2024	Restatement /Reclassification Amount December 31, 2024	Restated /Reclassified December 31, 2024
Right of use assets	(d)	52,680	(27,572)	25,108
Lease liability	(d)	(58,317)	29,252	(29,065)
Property, equipment and intangible assets	(e)	454,328	31,209	485,537
Deferred tax asset	(f)	50,881	(5,907)	44,974

**NON-BANKING CREDIT ORGANIZATION
AZERBAIJAN" LIMITED LIABILITY COMPANY**

"VIATOR MICROCREDIT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

Statement of Profit or Loss and Other Comprehensive Income	Notes	As Previously Stated	Restatement /Reclassification Amount	Restated /Reclassified
		For the year ended December 31, 2024	For the year ended December 31, 2024	For the year ended December 31, 2024
Interest expense	(g)	(386,631)	(5,631)	(392,262)
Other income, net	(h)	37,564	12,687	50,251
Income tax expense	(f)	(99,984)	(5,907)	(105,891)
Administrative and other operating expenses	(i)	(1,795,154)	25,833	(1,769,321)
Depreciation expenses	(j)	46,931	9,048	55,979
Rent expenses	(k)	42,318	(34,884)	7,434
Utilities	(l)	35,409	(26,557)	8,852
Institutional development costs	(m)	17,101	(17,101)	-
Professional service fees	(n)	15,340	(15,340)	-
Office supplies	(o)	14,607	(14,607)	-
Repair and maintenance expenses	(p)	8,986	(3,429)	5,557
Taxes other than income tax	(q)	2,865	131	2,996
Other expenses	(r)	27,181	(20,304)	6,877
Professional fees	(s)	-	62,073	62,073
Printing expenses	(o)	-	14,607	14,607
Meal expense	(m)	-	17,101	17,101
Fuel expenses	(p)	-	3,429	3,429

- a) Adjustments related to the implementation of IFRS 16 standard;
- b) Corrections of errors related to the derecognition of previous years' depreciation;
- c) Corrections of errors related to the implementation of IFRS 16 and derecognition of previous years' depreciation;
- d) Adjustments related to the implementation of IFRS 16 standard;
- e) Corrections of errors related to the derecognition of previous years' depreciation;
- f) Corrections of errors related to the implementation of IFRS 16 and derecognition of previous years' depreciation;
- g) Corrections of errors related to the recognition of finance cost of lease liability;
- h) Corrections of errors related to the recognition gain on disposal;
- i) Corrections of errors related to the recognition of depreciation expenses;
- j) Corrections of errors related to the recognition of depreciation expenses of right-of-use assets and derecognition of depreciation of fixed assets;
- k) Reclassification between rent expenses and interest expenses related to IFRS 16;
- l) Reclassification between utility expenses and other expenses;
- m) Reclassification between institutional development costs and meal expenses;
- n) Reclassification between professional service fees and professional fees;
- o) Reclassification between office supplies and printing expenses;
- p) Reclassification between repair and maintenance expenses and fuel expenses;
- q) Reclassification between taxes other than income tax and other expenses;
- r) Reclassification between other expenses, professional fees, utility expenses and taxes other than income tax expense;
- s) Reclassification between professional fees, other expenses, professional service fees, utility expenses;

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT
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**NOTES TO THE FINANCIAL STATEMENTS
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8. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash at banks	272,812	122,770
Cash on hand	1,018	3,889
Total cash and cash equivalents	273,830	126,659

9. LOANS TO CUSTOMERS

	December 31, 2025	December 31, 2024
Agricultural sector	297,226	186,257
Trade sector	2,159,590	2,095,348
Service and other sectors	7,484,503	6,041,380
Total loans to customers (gross)	9,941,319	8,322,985
Less: allowance for expected credit losses	(442,102)	(374,657)
Total loans to customers (net)	9,499,217	7,948,328
Deferred commission fee	(232,744)	(172,932)
Total loans to customers (net)	9,266,473	7,775,396

Loans to customers are issued primarily to customers located within the Republic of Azerbaijan.

Analysis of changes in gross carrying value and corresponding ECL by loan categories during the year ended 31 December 2025 is as follows:

Gross carrying value - all sectors	Stage 1	Stage 2	Stage 3	Total
1 January 2025	7,825,114	101,104	396,767	8,322,985
New assets originated or purchased	8,474,295	-	-	8,474,295
Changes in accrued interest	87,940	4,172	(3,423)	88,689
Other movements (asset repayment, modification of assets, etc)	(6,999,339)	178,073	1,171,891	(5,649,375)
Transfers to Stage 1	59,481	-	(59,481)	-
Transfers to Stage 2	(17,859)	18,380	(521)	-
Transfers to Stage 3	(139,754)	(7,441)	147,195	-
Assets recovered	-	-	91,268	91,268
Amounts written off	-	-	-	(1,386,543)
31 December 2025	9,289,878	294,288	357,153	9,941,319

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

Allowance on expected credit loss – all sectors	Stage 1	Stage 2	Stage 3	Total
1 January 2025	(26,695)	(1,244)	(346,718)	(374,657)
New assets originated or purchased	2,955	-	-	2,955
Changes in accrued interest	(208)	1,507	12,994	14,293
Unwinding of discount	-	-	(1,970)	(1,970)
Remeasurement of ECL, net	100,908	(92,785)	(1,477,389)	(1,469,266)
Transfers to Stage 1	24	-	(24)	-
Transfers to Stage 2	(4,031)	4,031	-	-
Transfers to Stage 3	(124,333)	(4,942)	129,275	-
Amounts written off	-	-	1,386,543	1,386,543
31 December 2025	(51,380)	(93,433)	(297,289)	(442,102)

Gross carrying value - agricultural sector	Stage 1	Stage 2	Stage 3	Total
1 January 2025	176,356	89	9,812	186,257
New assets originated or purchased	259,681	-	-	259,681
Changes in accrued interest	2,355	-	-	2,355
Other movements (asset repayment, modification of assets, etc)	(148,204)	(89)	665,686	517,393
Transfers to Stage 1	909	-	(909)	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets recovered	-	-	25,340	25,340
Amounts written off	-	-	(693,800)	(693,800)
31 December 2025	291,097	-	6,129	297,226

Allowance on expected credit loss - agricultural sector	Stage 1	Stage 2	Stage 3	Total
1 January 2025	(1,636)	(825)	(9,045)	(11,506)
New assets originated or purchased	792	-	-	792
Changes in accrued interest	(15)	-	26	11
Unwinding of discount	-	-	-	-
Remeasurement of ECL, net	-	825	(690,908)	(690,083)
Transfers to Stage 1	2	-	(2)	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	693,800	693,800
31 December 2025	(857)	-	(6,129)	(6,986)

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT
AZERBAIJAN" LIMITED LIABILITY COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
(In Azerbaijani manats, unless otherwise indicated)

Gross carrying value - trade sector	Stage 1	Stage 2	Stage 3	Total
1 January 2025	1,969,095	35,125	91,128	2,095,348
New assets originated or purchased	1,806,675	-	-	1,806,675
Changes in accrued interest	17,541	(51)	(369)	17,121
Other movements (asset repayment, modification of assets, etc)	(1,703,953)	(32,638)	187,137	(1,549,454)
Transfers to Stage 1	11,314	-	(11,314)	-
Transfers to Stage 2	(12,779)	12,779	-	-
Transfers to Stage 3	(24,588)	-	24,588	-
Assets recovered	-	-	-	-
Amounts written off	-	-	(210,100)	(210,100)
31 December 2025	2,063,305	15,215	81,070	2,159,590

Allowance on expected credit loss - trade sector	Stage 1	Stage 2	Stage 3	Total
1 January 2025	(3,332)	(33)	(97,958)	(101,323)
New assets originated or purchased	2,163	-	-	2,163
Changes in accrued interest	(153)	2	2,671	2,520
Unwinding of discount	-	-	(434)	(434)
Remeasurement of ECL, net	22,789	(2,461)	(202,530)	(182,202)
Transfers to Stage 1	11	-	(11)	-
Transfers to Stage 2	(1,246)	1,246	-	-
Transfers to Stage 3	(22,750)	-	22,750	-
Amounts written off	-	-	210,100	210,100
31 December 2025	(2,518)	(1,246)	(65,412)	(69,176)

Gross carrying value - service and other sectors	Stage 1	Stage 2	Stage 3	Total
1 January 2025	5,679,663	65,890	295,827	6,041,380
New assets originated or purchased	6,407,939	-	-	6,407,939
Changes in accrued interest	68,044	4,223	(3,054)	69,213
Other movements (asset repayment, modification of assets, etc)	(5,147,182)	210,800	319,068	(4,617,314)
Transfers to Stage 1	47,258	-	(47,258)	-
Transfers to Stage 2	(5,080)	5,601	(521)	-
Transfers to Stage 3	(115,166)	(7,441)	122,607	-
Assets recovered	-	-	65,928	65,928
Amounts written off	-	-	(482,643)	(482,643)
31 December 2025	6,935,476	279,073	269,954	7,484,503

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT
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Allowance on expected credit loss - service and other sectors	Stage 1	Stage 2	Stage 3	Total
1 January 2025	(21,727)	(386)	(239,715)	(261,828)
New assets originated or purchased	-	-	-	-
Changes in accrued interest	(40)	1,505	10,297	11,762
Unwinding of discount	-	-	(1,536)	(1,536)
Remeasurement of ECL, net	78,119	(91,149)	(583,951)	(596,981)
Transfers to Stage 1	11	-	(11)	-
Transfers to Stage 2	(2,785)	2,785	-	-
Transfers to Stage 3	(101,583)	(4,942)	106,525	-
Amounts written off	-	-	482,643	482,643
31 December 2025	(48,005)	(92,187)	(225,748)	(365,940)

Analysis of changes in gross carrying value and corresponding ECL by loan categories during the year ended 31 December 2024 is as follows:

Gross carrying value - all sectors	Stage 1	Stage 2	Stage 3	Total
1 January 2024	8,287,285	42,593	320,461	8,650,339
New assets originated or purchased	10,201,300	90,500	52,200	10,344,000
Changes in accrued interest	(23,118)	29,735	27,881	34,498
Other movements (asset repayment, modification of assets, etc)	(11,795,225)	(46,890)	(306,548)	(12,148,663)
Transfers to Stage 1	2,469	(2,469)	-	-
Transfers to Stage 2	(1,836)	1,836	-	-
Transfers to Stage 3	(151,034)	(24,001)	175,035	-
Assets recovered	1,311,107	9,800	127,944	1,448,851
Amounts written off	(5,834)	-	(206)	(6,040)
31 December 2024	7,825,114	101,104	396,767	8,322,985

Allowance on expected credit loss – all sectors	Stage 1	Stage 2	Stage 3	Total
1 January 2024	(40,286)	(12,165)	(322,792)	(375,243)
New assets originated or purchased	(66,582)	(1,861)	(13,260)	(81,703)
Changes in accrued interest	826	4	(33,726)	(32,896)
Unwinding of discount	58	78	36	172
Assets repaid	184,217	1,696	44,788	230,701
Transfers to Stage 1	(247)	247	-	-
Transfers to Stage 2	306	(306)	-	-
Transfers to Stage 3	96,955	12,987	(109,942)	-
Remeasurement of ECL, net	(202,031)	(1,924)	87,972	(115,983)
Amounts written off	89	-	206	295
31 December 2024	(26,695)	(1,244)	(346,718)	(374,657)

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT
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Gross carrying value - agricultural sector	Stage 1	Stage 2	Stage 3	Total
1 January 2024	95,583	-	573	96,156
New assets originated or purchased	186,900	-	-	186,900
Changes in accrued interest	(7,293)	513	11,568	4,788
Other movements (asset repayment, modification of assets, etc)	(172,669)	(374)	(51,246)	(224,289)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(95)	95	-	-
Transfers to Stage 3	-	(145)	145	-
Assets recovered	73,930	-	48,772	122,702
Amounts written off	-	-	-	-
31 December 2024	176,356	89	9,812	186,257

Allowance on expected credit loss - agricultural sector	Stage 1	Stage 2	Stage 3	Total
1 January 2024	(5,765)	-	(573)	(6,338)
New assets originated or purchased	(1,737)	-	-	(1,737)
Changes in accrued interest	22	-	(137)	(115)
Unwinding of discount	-	-	-	-
Assets repaid	5,994	114	2,573	8,681
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(57)	57	-	-
Transfers to Stage 3	-	80	(80)	-
Remeasurement of ECL, net	(93)	(1,076)	(10,828)	(11,997)
Amounts written off	-	-	-	-
31 December 2024	(1,636)	(825)	(9,045)	(11,506)

Gross carrying value - trade sector	Stage 1	Stage 2	Stage 3	Total
1 January 2024	1,880,210	17,148	72,998	1,970,356
New assets originated or purchased	2,436,500	19,400	9,400	2,465,300
Changes in accrued interest	(7,088)	11,558	25,802	30,272
Other movements (asset repayment, modification of assets, etc)	(2,681,654)	(9,794)	(82,074)	(2,773,522)
Transfers to Stage 1	2,469	(2,469)	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(32,643)	(9,018)	41,661	-
Assets recovered	371,486	8,300	23,341	403,127
Amounts written off	(185)	-	-	(185)
31 December 2024		35,125	91,128	2,095,348

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT
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Allowance on expected credit loss - trade sector	Stage 1	Stage 2	Stage 3	Total
1 January 2024	(6,177)	(8,602)	(61,185)	(75,964)
New assets originated or purchased	(18,161)	(560)	(858)	(19,579)
Changes in accrued interest	177	(9)	(13,423)	(13,255)
Unwinding of discount	7	22	5	34
Assets repaid	26,290	490	10,923	37,703
Transfers to Stage 1	(247)	247	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	16,329	6,080	(22,409)	-
Remeasurement of ECL, net	(21,550)	2,299	(11,011)	(30,262)
Amounts written off	-	-	-	-
31 December 2024	(3,332)	(33)	(97,958)	(101,323)

Gross carrying value - service and other sectors	Stage 1	Stage 2	Stage 3	Total
1 January 2024	6,311,492	25,445	246,890	6,583,827
New assets originated or purchased	7,577,900	71,100	42,800	7,691,800
Changes in accrued interest	(8,737)	17,664	(9,489)	(562)
Other movements (asset repayment, modification of assets, etc)	(8,940,902)	(36,722)	(173,228)	(9,150,852)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(1,741)	1,741	-	-
Transfers to Stage 3	(118,391)	(14,838)	133,229	-
Assets recovered	865,691	1,500	55,831	923,022
Amounts written off	(5,649)	-	(206)	(5,855)
31 December 2024	5,679,663	65,890	295,827	6,041,380

Allowance on expected credit loss - service and other sectors	Stage 1	Stage 2	Stage 3	Total
1 January 2024	(28,344)	(3,563)	(261,034)	(292,941)
New assets originated or purchased	(46,684)	(1,301)	(12,402)	(60,387)
Changes in accrued interest	627	13	(20,166)	(19,526)
Unwinding of discount	51	56	31	138
Assets repaid	151,933	1,092	31,292	184,317
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	363	(363)	-	-
Transfers to Stage 3	80,626	6,827	(87,453)	-
Remeasurement of ECL, net	(180,388)	(3,147)	109,811	(73,724)
Amounts written off	89	-	206	295
31 December 2024	(21,727)	(386)	(239,715)	(261,828)

NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT AZERBAIJAN" LIMITED LIABILITY COMPANY

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(in Azerbaijani manats, unless otherwise indicated)

10. PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

	Buildings and facilities	Computer and other equipments	Furniture and fixtures	Vehicles	Intangible assets	Other fixed assets	Total
Initial cost							
January 1, 2024	490,551	42,251	15,683	60,500	9,206	9,277	627,468
Additions	-	8,895	2,622	93,000	40,000	2,048	146,565
Disposals	-	(1,868)	(1,210)	(60,500)	-	(544)	(64,122)
December 31, 2024	490,551	49,278	17,095	93,000	49,206	10,781	709,911
Additions	-	81,043	826	-	7,073	749	89,691
Disposals	-	(15,325)	(4,801)	-	-	(1,284)	(21,410)
December 31, 2025	490,551	114,996	13,120	93,000	56,279	10,246	778,192
Accumulated depreciation							
January 1, 2024	(144,013)	(32,150)	(13,320)	(23,653)	(9,206)	(6,476)	(228,818)
Charge for the year	(9,840)	(5,968)	(1,073)	(7,132)	(3,288)	(1,107)	(28,408)
Elimination on disposal	-	1,394	1,210	29,703	-	545	32,852
December 31, 2024	(153,853)	(36,724)	(13,183)	(1,082)	(12,494)	(7,038)	(224,374)
Charge for the year	(9,840)	(14,664)	(1,561)	(18,600)	(4,355)	(1,317)	(50,337)
Elimination on disposal	-	14,348	4,801	-	-	1,075	20,224
December 31, 2025	(163,693)	(37,040)	(9,943)	(19,682)	(16,849)	(7,280)	(254,487)
Net book value							
December 31, 2025	326,858	77,956	3,177	73,318	39,430	2,966	523,705
December 31, 2024	336,698	12,554	3,912	91,918	36,712	3,743	485,537

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11. RIGHT-OF-USE ASSETS

	Buildings	Total right-of-use assets
Initial cost		
January 1, 2024	107,790	107,790
Additions	-	-
December 31, 2024	107,790	107,790
Additions	73,243	73,243
December 31, 2025	181,033	181,033
Accumulated depreciation		
January 1, 2024	(55,110)	(55,110)
Charge for the year	(27,572)	(27,572)
December 31, 2024	(82,682)	(82,682)
Charge for the year	(34,804)	(34,804)
December 31, 2025	(117,486)	(117,486)
Net book value		
December 31, 2025	63,547	63,547
December 31, 2024	25,108	25,108

12. OTHER ASSETS

	December 31, 2025	December 31, 2024
Other prepayments	122	122
Other intermediary receivables	89,883	-
Prepaid taxes	47,218	-
Assets held for sale	25,300	25,300
Total other assets	162,523	25,422

**NON-BANKING CREDIT ORGANIZATION
AZERBAIJAN" LIMITED LIABILITY COMPANY**

"VIATOR MICROCREDIT

**NOTES TO THE FINANCIAL STATEMENTS
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13. TERM-BORROWINGS

	December 31, 2025	December 31, 2024
Term-borrowings (current)	2,887,232	1,252,591
Term-borrowings (non-current)	477,831	120,951
Total term-borrowings	3,365,063	1,373,542

Lender	Effective interest rate	CCY	Maturity date	December 31, 2025
"PASHA Bank" OJSC	14%	AZN	Nov 23, 2026	632,062
"PASHA Bank" OJSC	13%	AZN	Feb 26, 2026	121,169
"PASHA Bank" OJSC	14%	AZN	July 30, 2026	471,147
"PASHA Bank" OJSC	14%	AZN	Apr 08, 2027	1,346,987
"PASHA Bank" OJSC	14%	AZN	Feb 11, 2027	793,698
Total term-borrowings				3,365,063

Lender	Effective interest rate	CCY	Maturity Date	December 31, 2024
"PASHA Bank" OJSC	13%	AZN	Aug 28, 2025	279,328
"PASHA Bank" OJSC	13%	AZN	May 21, 2025	298,557
"PASHA Bank" OJSC	13%	AZN	Feb 26, 2026	795,657
Total term-borrowings				1,373,542

A reconciliation of the opening and closing amounts of financial liabilities with relevant cash and non-cash changes from financing activities is stated below:

	As at January 1, 2025	Cash flow	Cash flow	Cash flow	Non-cash changes	Reclassification	As at December 31, 2025
		<i>Funds borrowed</i>	<i>Principal paid</i>	<i>Interest paid</i>	<i>Interest expense</i>		
Current portion	1,252,591	4,467,502	(2,492,491)	(315,567)	332,077	(356,780)	2,887,332
Non-current portion	120,951	-	-	-	-	356,780	477,731
Total	1,373,542	4,467,502	(2,492,491)	(315,567)	332,077	-	3,365,063

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (Continued)**
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A reconciliation of the opening and closing amounts of financial liabilities with relevant cash and non-cash changes from financing activities is stated below:

	As at January 1, 2024	Cash flow <i>Funds borrowed</i>	Cash flow <i>Principal paid</i>	Cash flow <i>Interest paid</i>	Non-cash changes <i>Interest expense</i>	Reclassification	As at December 31, 2024
Current portion	3,153,676	1,000,000	(2,875,733)	(355,931)	318,635	11,726	1,252,373
Non-current portion	132,895	-	-	-	-	(11,726)	121,169
Total	3,286,571	1,000,000	(2,875,733)	(355,931)	318,635	-	1,373,542

14. DEBT SECURITIES IN ISSUE

	December 31, 2025	December 31, 2024
Debt securities in issue (current)	515,556	528,121
Debt securities in issue (non-current)	-	500,000
Total debt securities in issue	515,556	1,028,121

A reconciliation of the opening and closing amounts of financial liabilities with relevant cash and non-cash changes from financing activities is stated below:

	As at January 1, 2025	Cash flow <i>Funds borrowed</i>	Cash flow <i>Principal paid</i>	Cash flow <i>Interest paid</i>	Non-cash changes <i>Interest expense</i>	Reclassification	As at December 31, 2025
Current portion	528,121	-	(500,000)	(122,500)	109,935	500,000	515,556
Non-current portion	500,000	-	-	-	-	(500,000)	-
Total	1,028,121	-	(500,000)	(122,500)	109,935	-	515,556

A reconciliation of the opening and closing amounts of financial liabilities with relevant cash and non-cash changes from financing activities is stated below:

	As at January 1, 2024	Cash flow <i>Funds borrowed</i>	Cash flow <i>Principal paid</i>	Cash flow <i>Interest paid</i>	Non-cash changes <i>Interest expense</i>	Reclassification	As at December 31, 2024
Current portion	350,000	1,000,000	(350,000)	(71,629)	99,750	(500,000)	528,121
Non-current portion	-	-	-	-	-	500,000	500,000
Total	350,000	1,000,000	(350,000)	(71,629)	99,750	-	1,028,121

NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT AZERBAIJAN" LIMITED LIABILITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
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15. LEASE LIABILITY

	December 31, 2025	December 31, 2024 *Restated
Current portion	40,510	13,068
Non-current portion	29,321	15,997
Total lease liability	69,831	29,065

Future minimum lease payments as at December 31, 2025 are as follows:

Minimum lease payments due

	Within one year	One to five years	Total
Lease payments	43,256	75,814	119,070
Finance charges	(2,746)	(46,493)	(49,239)
Net present value as at December 31, 2025	40,510	29,321	69,831

	Within one year	One to five years	Total
Lease payments	13,954	19,768	33,722
Finance charges	(886)	(3,771)	(4,657)
Net present value as at December 31, 2024	13,068	15,997	29,065

A reconciliation of the opening and closing amounts of financial liabilities with relevant cash and non-cash changes from financing activities is stated below:

	As at January 1, 2025	Additions	Cash flow	Non-cash changes	Reclassification	As at December 31, 2025
			<i>Principal and interest paid</i>	<i>Interest expense</i>		
Current portion	13,068	-	(29,252)	(5,631)	62,325	40,510
Non-current portion	15,997	-	-	-	13,324	29,321
Total	29,065	-	(29,252)	(5,631)	75,649	69,831

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	As at January 1, 2024	Additions	Cash flow <i>Principal and interest paid</i>	Non-cash changes <i>Interest expense</i>	Reclassification	As at December 31, 2024
Current portion	29,352	73,242	(32,476)	10,780	(67,830)	13,068
Non-current portion	28,965	-	-	-	(12,968)	15,997
Total	58,317	73,242	(32,476)	10,780	(80,798)	29,065

16. DEFERRED TAX LIABILITY

The Company measures and records its current income tax liability and its tax bases related to assets and liabilities in accordance with the statutory tax regulations of the Republic of Azerbaijan where the Company operates, which differ from IFRS Accounting Standards.

The Company is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and certain income being treated as non-taxable for tax purposes.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at December 31, 2025 and December 31, 2024 relate mostly to different methods/timing of income and expense recognition as well as to temporary differences generated by taxation bases' differences for certain assets.

Tax legislation of the Republic of Azerbaijan in particular may give rise to varying interpretations and amendments. In addition, as management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result, the Company may be assessed additional taxes, penalties and interest which could be material for this statement of financial position.

	Year ended December 31, 2025	Year ended December 31, 2024 <i>*Restated</i>
Current income tax:		
Current income tax charge	19,601	110,232
Deferred tax:		
Relating to origination and reversal of temporary differences	(15,331)	(4,342)
Income tax expense	4,270	105,890

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The income tax rate applicable to the Company's 2025 and 2024 income is 20%. A reconciliation between the expected and the actual taxation charge is provided below:

	Year ended December 31, 2025	Year ended December 31,2024 *Restated
Profit before tax	358,752	896,208
Statutory income tax rate of 20%	71,750	179,242
Tax effect of non-taxable income/(expense)	3,911	(73,352)
Change in unrecognized deferred income tax asset	(71,391)	-
Income tax expense	4,270	105,890

	Statement of financial position		Statement of comprehensive income	
	December 31,2025	December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
Loans to customers	62,331	50,368	11,963	1,996
Property, equipment and intangible assets	(3,491)	(2,644)	(847)	(329)
Right-of-use assets	(12,709)	(16,050)	3,341	(5,514)
Other assets	11,882	11,882	-	-
Term-borrowings	5,458	(127)	5,585	(1,181)
Lease liability	13,966	17,514	(3,548)	5,850
Other liabilities	2,658	6,682	(4,024)	659
Revaluation surplus	(19,789)	(22,650)	2,861	2,861
Income tax benefit	65,328	44,974	15,331	4,342
Deferred tax asset not recognized	(71,391)	-	-	-
Net deferred tax (liability)/asset	(11,085)	44,974	-	-

17. OTHER LIABILITIES

	December 31, 2025	December 31, 2024
Salary payables	7,428	27,609
Other intermediary payables	29,982	14,471
Other	13,149	1,786
Total other liabilities	50,559	43,866

18. SHARE CAPITAL

As indicated in Note 1, as at December 31, 2025, share capital amounted to AZN 693,774 and consists of 100 shares with a face value of AZN 6,937.74 (As at December 31, 2024, share capital amounted to AZN 693,774 and consists of 100 shares with AZN 6,937.74 face value per share).

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19. INTEREST INCOME

	Year ended December 31, 2025	Year ended December 31, 2024 *Restated
Interest income calculated using the effective interest method		
Loans to customers	2,687,826	1,871,530
Total interest income calculated using the effective interest method	<u>2,687,826</u>	<u>1,871,530</u>
Interest expense calculated using the effective interest method		
Term-borrowings	(332,077)	(318,635)
Debt securities in issue	(128,590)	(67,996)
Lease liability	(10,780)	(5,631)
Total interest expense calculated using the effective interest method	<u>(471,447)</u>	<u>(392,262)</u>
Net interest income	<u>2,216,379</u>	<u>1,479,268</u>

20. ADMINISTRATIVE AND OPERATING EXPENSES

	Year ended December 31, 2025	Year ended December 31, 2024 *Restated
Staff costs	1,518,350	1,405,992
Professional fees	111,483	62,073
Depreciation expenses	85,141	55,979
Fee and commission expenses	60,082	-
Penalty expenses	60,000	-
Security expenses	51,937	67,146
Bank commissions	30,414	33,089
Business trip expenses	16,463	25,478
Insurance expenses	16,061	31,790
Utilities	13,522	8,852
Training expenses	11,292	7,310
Communication expenses	11,221	13,611
Printing expenses	11,022	14,607
Repair and maintenance expenses	8,734	5,557
Meal expense	8,086	17,101
Rent expenses	7,434	7,434
Fuel expenses	4,646	3,429
Taxes other income tax expense	3,344	2,996
Other expenses	19,823	6,877
Total administrative and operating expenses	<u>2,049,055</u>	<u>1,769,321</u>

21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties, as defined by IAS 24, are those counterparties that represent:

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company (This includes holding companies, subsidiaries and fellow subsidiaries);
- (b) Associates – enterprises in which the Company has significant influence and which are neither a subsidiary nor a joint venture of the investor;

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- (c) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company;
- (d) Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors and officers of the Company and close members of the families of such individuals; and
- (e) Enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Company and enterprises that have a member of key management in common with the Company.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

	December 31, 2025		December 31, 2024 (*Restated)	
Included in the statement of financial ASSETS	Balances	Total	Balances	Total
Right of use assets:		63,547		25,108
- Entities with significant influence over or joint control of the Company	25,577		-	
LIABILITIES				
Lease liabilities:		69,832		29,065
- Entities with significant influence over or joint control of the Company	27,110		-	
Debt securities in issue:		515,556		1,028,121
- Entities with significant influence over or joint control of the Company	243,407		418,825	
	For the year ended December 31, 2025		For the year ended December 31, 2024 (*Restated)	
Included in the Statement of Comprehensive Income	Balances with related parties	Total	Balances with related parties	Total
Interest expenses:		471,447		392,262
- Entities with significant influence over or joint control of the Company	66,067		38,273	
Administrative and other operating expenses:		2,049,055		1,769,321
- Entities with significant influence over or joint control of the Company	12,789		9,164	

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Short-term Payments – Salaries and Bonuses:	1,518,350	1,405,992
- Members of Key Management	398,079	380,382

22. COMMITMENTS AND CONTINGENCIES

Legal proceedings

From time to time and in the normal course of business, claims against the Company were received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these financial statements.

Taxation

Commercial legislation and tax legislation of the Republic of Azerbaijan, in particular, may give rise to varying interpretations and amendments. In addition, as management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result, the Company may be assessed additional taxes, penalties and interest.

The Company's management believes that its interpretation of the relevant legislation is appropriate and the Company's tax, currency and customs positions will be sustained. Accordingly, as at December 31, 2025 and December 31, 2024, no provision for potential tax liabilities had been recorded.

23. FINANCIAL RISK MANAGEMENT

Corporate governance framework

The supreme governing body of the Company is the General Shareholder meeting that is called for annual or extraordinary meetings. The General Shareholder meeting makes strategic decisions on the Company's operations.

The General Shareholder meeting elects the Board of Directors. The Board of Directors is responsible for overall governance of the Company's activities.

Azerbaijani legislation and the Charter of the Company establishes lists of decisions that are approved by the Board of Directors and that are approved by the Director.

General activities of the Company are managed by the General Director of the Company. The General Director of the Company is responsible for implementation of decisions of the shareholder.

Internal control policies and procedures

The General Director has responsibility for the development, implementation and maintaining of internal controls in the Company that are commensurate with the scale and nature of operations.

The purpose of internal controls is to ensure:

- proper and comprehensive risk assessment and management;
- proper business and accounting and financial reporting functions, including proper authorization, processing and recording of transactions;

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- completeness, accuracy and timeliness of accounting records, managerial information, regulatory reports, etc.;
- reliability of IT systems, data and systems integrity and protection;
- prevention of fraudulent or illegal activities, including misappropriation of assets;
- compliance with laws and regulations.

Management is responsible for identifying and assessing risks, designing controls and monitoring their effectiveness. Management monitors the effectiveness of the Company's internal controls and periodically implements additional controls or modifies existing controls as considered necessary.

The internal control system in the Company comprises:

- the General Director and Board of Directors;
- the Finance Manager;
- the human resource function.

Other employees, division and functions that are responsible for compliance with the established standards, policies and procedures, including:

- the legal officer – an employee responsible for compliance with the legal and regulatory requirements;
- other employees/divisions with control responsibilities.

Management believes that the Company complies with the CBRA requirements related to risk management and internal control systems, including requirements related to the internal audit function, and that risk management and internal control systems are appropriate for the scale, nature and complexity of operations.

Risk management policies and procedures

The Company has a risk management department which aims to identify, analyse and manage the risks faced by the Company, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits.

The Board of Directors has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

The General Director is responsible for monitoring and implementing risk mitigation measures and ensuring that the Company operates within established risk parameters. He also has responsibility for controlling the Company's compliance with risk limits as established by the CBRA.

Expected credit loss (ECL) measurement – definitions

ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and determined by evaluating a range of possible outcomes.

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Discount Rate – a tool to discount an expected loss to the present value at the reporting date. The discount rate represents the effective interest rate (EIR) for the financial instrument or an approximation thereof.

Lifetime period – the maximum period over which ECL should be measured. For loans with a fixed maturity, the lifetime period is equal to the remaining contractual period.

Lifetime ECL – losses that result from all possible default events over the remaining lifetime period of the financial instrument.

12-month ECL – the portion of lifetime ECLs that represent the ECLs resulting from default events on a financial instrument that are possible within 12 months after the reporting date that are limited by the remaining contractual life of the financial instrument.

Forward-looking information – the information that includes the key macroeconomic variables impacting credit risk and expected credit losses for each portfolio segment.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

Credit Conversion Factor (CCF) – a coefficient that shows that the probability of conversion of an off-balance sheet amounts to exposure on balance within a defined period. It can be calculated for a 12-month or lifetime period. Based on the analysis performed, the Company considers that 12-month and lifetime CCFs are the same.

Purchased or originated credit-impaired (POCI) financial assets – financial assets that are credit-impaired upon initial recognition.

Low credit risk financial assets – assets that have an investment grade defined by external rating agencies or corresponding internal rating, debt instruments issued by the Republic of Azerbaijan and nominated in AZN, loans to companies owned by the Republic of Azerbaijan and nominated in AZN. The presumption, being that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has not been rebutted.

Default and credit-impaired asset – a loan is in default, meaningfully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- the borrower is more than 90 days past due on its contractual payments;
- the loan is restructured less than 6 months ago and is 31-90 days past due on its contractual payments;
- the Company considers to sell the borrower's debt with significant losses (more than 5% of the principal debt balance and accrued interest);
- the borrower has an external rating below Caa2;
- the Company has classified the borrower in the default rating class according to the master scale;

Significant increase in credit risk (SICR) – the SICR assessment is performed on an individual basis and on a portfolio basis. For loans issued to legal entities and individuals, interbank loans and debt securities accounted for at AC or at FVOCI, SICR is assessed on an individual basis by monitoring the triggers stated below. The criteria used to identify a SICR are monitored and reviewed periodically for appropriateness by the Company's Risk Management Department.

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The Company considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

For loans issued to legal entities and bonds issued by the legal entities, interbank operations and bonds issued by the banks:

- 31-90 days past due;
- Restructured and 6-30 days past due;
- Monitoring suggests borrower has financial difficulties.

For loans to individuals:

- 31-90 days past due;
- Restructured and 6-30 days past due;
- Refinanced loan – a special type of loan when all loans of the borrower are refinanced into one;
- Inclusion of loan into a watch list zone by the NPL department;

If there is evidence that the SICR criteria are no longer met and this has lasted at least 6 months, the instrument will be transferred back to Stage 1. If an exposure has been transferred to Stage 2 Based on a qualitative indicator, the Company monitors whether that indicator continues to exist or has changed.

ECL measurement – description of estimation techniques

For non-POCI financial assets, ECLs are generally measured based on the risk of default over one of two different time periods, depending on whether the credit risk of the borrower has increased significantly since initial recognition. This approach can be summarized in a three-stage model for ECL measurement:

Stage 1: a financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition; loss allowance is based on 12-month ECLs.

Stage 2: if a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but not yet deemed to be credit-impaired; loss allowance is based on lifetime ECLs.

Stage 3: if the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3 and loss allowance is based on lifetime ECLs.

ECL for POCI financial assets is always measured on a lifetime basis (Stage 3), so at the reporting date, the Company only recognizes the cumulative changes in lifetime expected credit losses.

The Company can carry out three separate approaches for ECL measurement:

- assessment on an individual basis;
- assessment on a portfolio basis: internal ratings are estimated on an individual basis but the same credit risk parameters (e.g., PD, LGD) will be applied during the process of ECL calculations for the same credit risk ratings and homogeneous segments of the loan portfolio;
- assessment based on external ratings.

The Company performs an assessment on an individual basis for the following types of loans issued to legal entities: loans with unique credit risk characteristics, individually significant loans and credit-impaired loans.

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Principles of assessment on an individual basis – ECL assessments on an individual basis are done by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome. The Company defines at least two possible outcomes for each loan, one of which leads to credit loss in spite of the probability of such a scenario. Individual assessment is mainly based on the expert judgement of the Problem Loans Collection Department.

Expert judgements are regularly tested in order to decrease the difference between estimates and actual losses. In general, ECL is the multiplication of the following credit risk parameters: EAD, PD and LGD (definitions of the parameters are provided above). The general approach used for ECL calculation is stated below. It could be applied for products assessed on a portfolio basis and for products for which the Company has credit risk ratings assessment based on borrower-specific information.

The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for the next 12 months or instrument lifetime. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier period).

The brief principles of calculating the credit risk parameters are as follows.

The EADs are determined based on the expected payment profile, which varies by product type:

- for amortizing products and bullet repayment loans, EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.
- for revolving products, the EAD is predicted by taking the current drawn balance and adding a credit conversion factor that accounts for the expected drawdown of the remaining limit by the time of default.

Two types of PDs are used for calculating ECLs: 12-month and lifetime PD:

- 12-month PDs – the estimated probability of a default occurring within the next 12 months (or over the remaining life of the financial instrument if less than 12 months). This parameter is used to calculate 12-month ECLs. An assessment of a 12-month PD is based on the latest available historical default data and adjusted for forward-looking information when appropriate.
- Lifetime PDs – the estimated probability of a default occurring over the remaining life of the financial instrument. This parameter is used to calculate lifetime ECLs for Stage 2 exposures. An assessment of a Lifetime PD is based on the latest available historical default data and adjusted for forward-looking information when appropriate.

To calculate Lifetime PD, the Company uses different statistical approaches depending on the segment and product type, such as the extrapolation of 12-month PDs based on migration matrixes and developing lifetime PD curves based on the historical default data. For lifetime PD calculations, the Company uses historical default data and the extrapolation of trends for longer periods during which default data was not available.

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by the product, stage and the availability of collateral or other credit support. The 12-month and lifetime LGDs are determined based on the factors that impact the expected recoveries after a default event. The approach to LGD measurement can be divided into three possible approaches:

- measurement of LGD based on the specific characteristics of the collateral;
- calculation of LGD on a portfolio basis based on recovery statistics;
- individually defined LGD depending on different factors and scenarios.

**NON-BANKING CREDIT ORGANIZATION "VIATOR MICROCREDIT
AZERBAIJAN" LIMITED LIABILITY COMPANY**

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The main risks inherent to the Company operations are those related to:

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

Credit risk

The Company is exposed to credit risk which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Maximum exposure

The Company's maximum exposure to credit risk varies significantly and is dependent on both individual risks and general market economy risks.

Geographical concentration

The Management exercises control over the risk in the legislation and regulatory area and assesses its influence on the Company's activity. This approach allows the Company to minimize potential losses from the investment climate fluctuations in the Republic of Azerbaijan.

The geographical concentration of the Company's financial assets and liabilities as at December 31, 2025 and December 31, 2024 was disclosed in the relevant notes.

Liquidity risk

Liquidity risk is defined as the risk when the maturity of financial assets and liabilities does not match. Liquidity risk is managed by the Finance Department of the Company. The liquidity management of the Company requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans and monitoring balance sheet liquidity ratio.

An analysis of the liquidity risks is presented in the following tables:

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	December 31, 2025
FINANCIAL ASSETS					
Cash and cash equivalents	273,830	-	-	-	273,830
Loans to customers	705,698	1,538,545	3,534,619	3,487,611	9,266,473
Other assets	89,883	-	-	-	89,883
TOTAL FINANCIAL ASSETS	1,069,411	1,538,545	3,534,619	3,487,611	9,630,186
FINANCIAL LIABILITIES					
Term-borrowings	323,892	602,963	1,960,377	477,831	3,365,063
Debt securities in issue	515,556	-	-	-	515,556
Lease liability	3,568	15,008	21,933	29,321	69,831
Other liabilities	29,982	-	-	-	29,982
TOTAL FINANCIAL LIABILITIES	872,998	617,971	1,982,310	507,152	3,980,432
Liquidity gap	196,413	920,574	1,552,309	2,980,459	
Cumulative liquidity gap	196,413	1,116,987	2,669,296	5,649,755	

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	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	December 31, 2024
FINANCIAL ASSETS					
Cash and cash equivalents	126,659	-	-	-	126,659
Loans to customers	66,334	50,929	1,546,010	6,112,123	7,775,396
TOTAL FINANCIAL ASSETS	192,993	50,929	1,546,010	6,112,123	7,902,055
FINANCIAL LIABILITIES					
Term-borrowings	295,846	371,039	585,487	121,170	1,373,542
Debt securities in issue	28,121	-	500,000	500,000	1,028,121
Lease liability	1,151	5,582	6,334	15,996	29,064
Other liabilities	14,471	-	-	-	14,471
TOTAL FINANCIAL LIABILITIES	339,589	376,621	1,091,821	637,166	2,445,198
Liquidity gap	(146,596)	(325,692)	454,189	5,474,957	
Cumulative liquidity gap	(146,596)	(472,288)	(18,099)	5,456,858	

Further analysis of the liquidity risk is presented in the following tables in accordance with IFRS 7. The amounts disclosed in these tables do not correspond to the amounts recorded on the statement of financial position as the presentation below includes a maturity analysis for financial liabilities that indicates the total remaining contractual payments (including interest payments), which are not recognized in the statement of financial position under the effective interest rate method.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	December 31, 2025
Financial liabilities					
Term-borrowings	334,104	685,700	2,136,551	495,415	3,651,770
Debt securities in issue	517,889	-	-	-	517,889
Lease liability	3,605	18,023	21,628	75,814	119,070
Total potential future payments for financial liabilities	855,598	703,723	2,158,179	571,229	4,288,729

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	December 31, 2024
Financial liabilities					
Term-borrowings	307,288	399,500	614,620	122,920	1,444,328
Debt securities in issue	35,778	-	603,833	502,333	1,141,944
Lease liability	1,163	5,814	6,977	19,768	33,721
Total potential future payments for financial liabilities	344,229	405,314	1,225,430	645,021	2,619,993

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Interest rate risk

The Company manages fair value interest rate risk through periodic estimation of potential losses that could arise from adverse changes in market conditions. The Management Board of the Company conducts monitoring of the Company's current financial performance, estimates the Company's sensitivity to changes in fair value interest rates and its influence on the Company's profitability.

The following table presents a sensitivity analysis of interest rate risk, which has been determined based on “reasonably possible changes in the risk variable”. The level of these changes is determined by management and is contained within the risk reports provided to key management personnel.

Impact on profit before tax:

	As at December 31, 2025		As at December 31, 2024	
	Interest rate +1%	Interest rate -1%	Interest rate +1%	Interest rate -1%
FINANCIAL ASSETS				
Loans to customers	92,665	(92,665)	77,754	(77,754)
FINANCIAL LIABILITIES				
Term-borrowings	(33,651)	33,651	(13,735)	13,735
Debt securities in issue	(5,156)	5,156	(10,281)	10,281
Lease liability	(698)	698	(291)	291
	53,160			
Net impact on profit before tax	65,502	(53,160)	53,447	(53,447)

Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

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The currency risk related to the Company's financial assets and liabilities as at December 31, 2025 and December 31, 2024 was disclosed in the relevant notes.

	AZN	USD	EUR	Total
ASSETS				
Cash and cash equivalents	258,424	14,992	414	273,830
Loans to customers	9,266,473	-	-	9,266,473
Other assets	89,883	-	-	89,883
Total assets	9,614,780	14,992	414	9,630,186
LIABILITIES				
Term-borrowings	3,365,063	-	-	3,365,063
Debt securities in issue	515,556	-	-	515,556
Lease liability	69,831	-	-	69,831
Other liabilities	29,982	-	-	29,982
Total liabilities	3,980,432	-	-	3,980,432
OPEN CURRENCY POSITION	5,634,348	14,992	414	5,649,754

The following table shows the foreign currency exposure structure of financial assets and liabilities as at December 31, 2024:

	AZN	USD	EUR	Total
ASSETS				
Cash and cash equivalents	85,451	40,795	413	126,659
Loans to customers	7,775,396	-	-	7,775,396
Total assets	7,860,847	40,795	413	7,902,055
LIABILITIES				
Term-borrowings	1,373,542	-	-	1,373,542
Debt securities in issue	1,028,121	-	-	1,028,121
Lease liability	29,064	-	-	29,064
Other current liabilities	14,471	-	-	14,471
Total liabilities	2,445,198	-	-	2,445,198
OPEN CURRENCY POSITION	5,415,649	40,795	413	5,456,857