JSC MFI IntelExpress

Financial Statements
for the Year Ended December 31, 2024

and

Independent Auditor's Report

CONTENTS

STATEMENT OF MANAGEMENT's RESPONSIBILITY

Management of JSC MFI IntelExpress is responsible for the accompanying financial statements.

This responsibility includes:

- preparation of financial statements in accordance with International Financial Reporting Standards;
- selection of suitable accounting policies and their consistent application;
- making judgments and estimates which are reasonable and prudent;
- preparation of the financial statements on the going concern basis, unless circumstances make this inappropriate.

Management is also responsible for:

- creation, implementation and maintaining effective internal control system;
- keeping proper accounting records in compliance with local regulations;
- taking such steps as are reasonably open to them to safeguard the assets of the company;
- prevention and detection of fraud and other irregularities.

The financial statements for the year ended December 31, 2024 were approved by the management and signed on its behalf:

David Tavartkiladze	Nana Beradze
General Director	Chief Accountant

JSC MFI IntelExpress

Date: June 16, 2025

STATEMENT OF MANAGEMENT's RESPONSIBILITY

Management of JSC MFI IntelExpress is responsible for the accompanying financial statements.

This responsibility includes:

- preparation of financial statements in accordance with International Financial Reporting Standards;
- selection of suitable accounting policies and their consistent application;
- making judgments and estimates which are reasonable and prudent;
- preparation of the financial statements on the going concern basis, unless circumstances make this inappropriate.

Management is also responsible for:

- creation, implementation and maintaining effective internal control system;
- keeping proper accounting records in compliance with local regulations;
- taking such steps as are reasonably open to them to safeguard the assets of the company;
- prevention and detection of fraud and other irregularities.

The financial statements for the year ended December 31, 2024 were approved by the management and signed on its behalf:

David Tavartkiladze

General Director

JSC MFI IntelExpress

Date: June 16, 2025

ნ. ბერძ

Nana Beradze

Chief Accountant

სს მისო "ინტელექსპრესი" * JSC MFI "IntelExpress" * 202353176

MOORE abc, LLC
2, D.Gamrekeli Str,
0160, Tbilisi, Georgia
T +995 32 2 000 123
E info@moore.ge
www.moore-georgia.ge

INDEPENDENT AUDITORS' REPORT

JSC MFI IntelExpress

Opinion

We have audited the financial statements of JSC MFI IntelExpress (the "Company") which comprise the statement of financial position as at December 31, 2024 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for our Opinion

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

Other information which is not a financial statement and the auditors' report

Management is responsible for Other Information. Other Information contains information that is included in the Management report, but does not imply financial statements and our opinion regarding them. Probably, Management report will be available for us after the issuance of our audit report.

Our opinion about financial statements does not include abovementioned Other Information and we do not express any kind of assurance regarding it.

Our responsibility regarding to the audit of the financial statements implies that we have to familiarize with abovementioned Other Information and discuss is this information substantionally unsuitable with financial statements or with information that we obtained during the audit or does it leave any kind of impression that it might be substantionally false.

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 International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

INDEPENDENT AUDITORS' REPORT *(continued)*

Auditors' responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on 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.

• Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents 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.

Sopho Abaiadze / Certified Auditor / Partner

Audit firm registration number: SARAS-F-320544
Auditor's registration number: SARAS-A-417263

Date: June 16, 2025
Tbilisi, Georgia

STATEMENT OF FINANCIAL POSITION

	Note	31-Dec-24	31-Dec-23
ASSETS			
Cash and cash equivalents	6	23,703,535	31,951,752
Receivables from money transfer companies	7	10,703,697	14,358,401
Loans to customers	8	28,902,280	22,023,078
Advances paid		97,072	64,483
Tax assets	9	746,779	451,023
Right-of-use assets	10	928,709	673,286
Property and equipment	11	2,801,095	2,662,080
Intangibles	12	521,723	402,625
Investment in associates	13	649,334	717,541
Other assets	15	360,698	303,122
Total assets		**69,414,922**	**73,607,391**
LIABILITIES			
Loans and borrowings	16	12,633,983	14,056,540
Payables from money transfer companies	7	36,372,449	40,598,446
Tax payable	17	590,139	41,122
Lease liabilities	10	870,800	606,642
DTL	14	250,515	234,373
Other liabilities	18	415,099	353,031
Total liabilities		**51,132,985**	**55,890,154**
EQUITY			
Share capital	19	5,100,000	5,100,000
Retained earnings		13,181,937	12,617,237
Total equity		**18,281,937**	**17,717,237**
Total liabilities and equity		**69,414,922**	**73,607,391**

David Tavartkiladze — Nana Beradze

General Director — Chief Accountant
JSC MFI IntelExpress

Date: June 16, 2025

STATEMENT OF FINANCIAL POSITION

	Note	31-Dec-24	31-Dec-23
ASSETS			
Cash and cash equivalents	6	23,703,535	31,951,752
Receivables from money transfer companies	7	10,703,697	14,358,401
Loans to customers	8	28,902,280	22,023,078
Advances paid		97,072	64,483
Tax assets	9	746,779	451,023
Right-of-use assets	10	928,709	673,286
Property and equipment	11	2,801,095	2,662,080
Intangibles	12	521,723	402,625
Investment in associates	13	649,334	717,541
Other assets	15	360,698	303,122
Total assets		**69,414,922**	**73,607,391**
LIABILITIES			
Loans and borrowings	16	12,633,983	14,056,540
Payables from money transfer companies	7	36,372,449	40,598,446
Tax payable	17	590,139	41,122
Lease liabilities	10	870,800	606,642
DTL	14	250,515	234,373
Other liabilities	18	415,099	353,031
Total liabilities		**51,132,985**	**55,890,154**
EQUITY			
Share capital	19	5,100,000	5,100,000
Retained earnings		13,181,937	12,617,237
Total equity		**18,281,937**	**17,717,237**
Total liabilities and equity		**69,414,922**	**73,607,391**

David Tavartkiladze

General Director
JSC MFI IntelExpress

Date: June 16, 2025

Nana Beradze

Chief Accountant

STATEMENT OF COMPREHENSIVE INCOME

	Note	2024	2023
Interest income	20	4,901,567	4,113,042
Interest expense	21	(1,046,041)	(920,150)
Net interest income		**3,855,526**	**3,192,892**
Fee and commission income, NET	22	5,791,213	4,014,461
Profit on currency trade operations	23	4,747,054	6,090,340
Income from fines	24	316,598	315,193
Other income	25	305,736	166,858
Operating income		**15,016,127**	**13,779,744**
Operating and administrative expenses	26	(11,553,521)	(10,652,858)
Foreign exchange loss	27	(377,555)	235,754
Change in loan loss reserve		(273,196)	(208,734)
Impairement of investment in associates		(68,207)	(25,503)
Profit before income tax		**2,743,648**	**3,128,403**
Income tax	14	(558,898)	(705,195)
Net profit for the year		**2,184,750**	**2,423,208**

David Tavartkiladze — Nana Beradze

General Director — Chief Accountant
JSC MFI IntelExpress

Date: June 16, 2025

STATEMENT OF COMPREHENSIVE INCOME

	Note	2024	2023
Interest income	20	4,901,567	4,113,042
Interest expense	21	(1,046,041)	(920,150)
Net interest income		**3,855,526**	**3,192,892**
Fee and commission income, NET	22	5,791,213	4,014,461
Profit on currency trade operations	23	4,747,054	6,090,340
Income from fines	24	316,598	315,193
Other income	25	305,736	166,858
Operating income		**15,016,127**	**13,779,744**
Operating and administrative expenses	26	(11,553,521)	(10,652,858)
Foreign exchange loss	27	(377,555)	235,754
Change in loan loss reserve		(273,196)	(208,734)
Impairement of investment in associates		(68,207)	(25,503)
Profit before income tax		**2,743,648**	**3,128,403**
Income tax	14	(558,898)	(705,195)
Net profit for the year		**2,184,750**	**2,423,208**

David Tavartkiladze

General Director
JSC MFI IntelExpress

Date: June 16, 2025

Nana Beradze

Chief Accountant

STATEMENT OF CASH FLOWS

Description	Note	2024	2023
Interest and penalties received	8	5,154,717	4,332,217
Loans recovered	8	56,897,889	44,625,273
Loans issued	8	(64,208,021)	(49,776,292)
Expenses paid		(3,236,477)	(2,806,406)
Salaries paid		(6,079,480)	(6,578,720)
Interest paid		(960,130)	(894,316)
Taxes paid		(2,032,817)	(2,968,743)
Convert		3,051,187	2,315,854
Difference between inflow and outflow from cash transfers and other		7,643,705	16,991,276
Cash Flow from operating Activities		**(3,769,425)**	**5,240,144**
Interest received on bank deposits		40,277	38,476
Acquisition of fixed assets		(350,602)	(372,541)
Purchase of ordinary shares		-	(532,094)
Disposal of fixed assets		17,732	-
Acquisition of intangible assets		(206,834)	(101,367)
Payment of the obligation Purchase of the right of demand		(13,333)	(78,925)
Cash flow from investing activities		**(512,760)**	**(1,046,452)**
Loans received	16	145,024,288	21,176,026
Loans covered	16	(146,844,652)	(16,804,570)
Principal repayments of leases	10	(425,251)	(413,794)
Dividends paid		(1,618,903)	(1,940,876)
Received bank guarantee		53,103	(26,433)
Cash Flow from financing Activities		**(3,811,416)**	**1,990,353**
Effects of ex. rate changes on cash and cash equivalents		(154,617)	386,394
Net increase / (decrease) in cash and cash equivalents		**(8,093,601)**	**6,184,046**
Cash and cash equivalents at the beginning	6	31,951,752	25,381,312
Cash and cash equivalents at the end of the reporting period	6	**23,703,535**	**31,951,752**

David Tavartkiladze — Nana Beradze

General Director — Chief Accountant

JSC MFI IntelExpress

Date: June 16, 2025

STATEMENT OF CASH FLOWS

Description	**Note**	**2024**	**2023**
Interest and penalties received	8	5,154,717	4,332,217
Loans recovered	8	56,897,889	44,625,273
Loans issued	8	(64,208,021)	(49,776,292)
Expenses paid		(3,236,477)	(2,806,406)
Salaries paid		(6,079,480)	(6,578,720)
Interest paid		(960,130)	(894,316)
Taxes paid		(2,032,817)	(2,968,743)
Convert		3,051,187	2,315,854
Difference between inflow and outflow from cash transfers and other		7,643,705	16,991,276
Cash Flow from operating Activities		**(3,769,425)**	**5,240,144**
Interest received on bank deposits		40,277	38,476
Acquisition of fixed assets		(350,602)	(372,541)
Purchase of ordinary shares		-	(532,094)
Disposal of fixed assets		17,732	-
Acquisition of intangible assets		(206,834)	(101,367)
Payment of the obligation Purchase of the right of demand		(13,333)	(78,925)
Cash flow from investing activities		**(512,760)**	**(1,046,452)**
Loans received	16	145,024,288	21,176,026
Loans covered	16	(146,844,652)	(16,804,570)
Principal repayments of leases	10	(425,251)	(413,794)
Dividends paid		(1,618,903)	(1,940,876)
Received bank guarantee		53,103	(26,433)
Cash Flow from financing Activities		**(3,811,416)**	**1,990,353**
Effects of ex. rate changes on cash and cash equivalents		(154,617)	386,394
Net increase / (decrease) in cash and cash equivalents		**(8,093,601)**	**6,184,046**
Cash and cash equivalents at the beginning	6	31,951,752	25,381,312
Cash and cash equivalents at the end of the reporting period	**6**	**23,703,535**	**31,951,752**

David Tavartkiladze
General Director
JSC MFI IntelExpress
Date: June 16, 2025

Nana Beradze
Chief Accountant

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total Equity
Balance as at 31-Dec-2022	**1,100,000**	**16,149,528**	**17,249,528**
Net profit for the year 2023	-	2,423,208	**2,423,208**
Dividends declared	-	(1,955,500)	**(1,955,500)**
Transfer of accumulated profits to share capital	4,000,000	(4,000,000)	**-**
Balance as at 31-Dec-2023	**5,100,000**	**12,617,236**	**17,717,237**
Net profit for the year 2024	**-**	2,184,750	**2,184,750**
Dividends declared	**-**	(1,620,049)	**(1,620,049)**
Transfer of accumulated profits to share capital	**-**	-	**-**
Balance as at 31-Dec-2024	**5,100,000**	**13,181,937**	**18,281,937**

David Tavartkiladze

General Director
JSC MFI IntelExpress

Date: June 16, 2025

Nana Beradze

Chief Accountant

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total Equity
Balance as at 31-Dec-2022	**1,100,000**	**16,149,528**	**17,249,528**
Net profit for the year 2023	-	2,423,208	**2,423,208**
Dividends declared	-	(1,955,500)	**(1,955,500)**
Transfer of accumulated profits to share capital	4,000,000	(4,000,000)	**-**
Balance as at 31-Dec-2023	**5,100,000**	**12,617,236**	**17,717,237**
Net profit for the year 2024	-	2,184,750	**2,184,750**
Dividends declared	-	(1,620,049)	**(1,620,049)**
Transfer of accumulated profits to share capital	-	-	**-**
Balance as at 31-Dec-2024	**5,100,000**	**13,181,937**	**18,281,937**

David Tavartkiladze

General Director
JSC MFI IntelExpress

Date: June 16, 2025

Nana Beradze

Chief Accountant

NOTE 1 The Company and its principal activities

These financial statements include financial information of JSC MFI IntelExpress (referred to as "the Company").

JSC MFI IntelExpress (202353176) was initially registered under the name of LLC Microfinance Organization Intel Express Georgia in 2006 in Tbilisi, Georgia. On February 12, 2018 the Organization was renamed and registered as JSC MFI IntelExpress.

Main activity of the Company is money transfer; INTEL EXPRESS is a worldwide money transfer system and its core business is Cash to Cash money transfers between individuals; Besides, INTEL EXPRESS product portfolio also includes Commercial Payments (loans repayments, utilities payments, etc.), Internet payments and other mobile money transfers.

Supplementary activity of the Company is issuance of micro loans to individuals and legal entities. The company operates 24 centers (2022: 23 centers) in Tbilisi and regions: Central (Aghmashenebli Ave), Marjanishvili, Tsereteli, Gldani, Delisi,Tamarashvili, Varketili, Isani, Tbilisi International Airport (2), Akhalkalaki, Gori, Rustavi, Zugdidi, Zestaponi, Batumi (2), Telavi, Kutaisi (4), Poti. The Company issues four types of loans: (1) Mortgage/Consumer Loans, which are secured by real estate and surety, or only by real estate (2) Pawn Loans, secured by precious metals/stones, or antiques, (3) Consumer Loans, which are in most cases secured by precious metals/stones, borrowing from borrowers (or third parties) or guarantee and (4) other loans (credit line) which are in most cases secured by precious metals/stones, borrowing or guarantee. There is a top ceiling for the loans set by regulations which equals GEL 100 thousand.

The shareholders of the JSC Microfinance Organization JSC MFI IntelExpress are:

Shareholder	31-Dec-24	31-Dec-23
Ketevan Kartvelishvili	15.00%	15.00%
Limited Liability Company UFG (UFG, LLC)	85.00%	85.00%
Total	**100.00%**	**100.00%**

UFG, JSC's 100% share owner is Ms. Lia Aslanidi - a citizen of Greece, who also is founder and 60% share owner of "Intel express Greece“ (Company registered and operated in Greece).

NOTE 2 Operating environment of the Company

The Company operates in Georgia. In Georgia the microfinance organizations are under certain regulations of National Bank of Georgia. Current regulations are not very extensive and limiting. Regulations include minimum capital requirements (minimum GEL 1,000,000), requirement to publish financial statements prepared in accordance with IFRS. Microfinance organizations in Georgia currently are not allowed to receive loans from clients and to issue loans exceeding GEL 100 thousand (See note 30).

Emerging economies, such as the Georgian economy, are subject to rapid change and are vulnerable to market conditions and economic downturns elsewhere in the world. As a consequence, operations in Georgia may be exposed to certain risks that are not typically associated with those in developed markets. Nevertheless, over the last few years the Georgian government has changed number of civil, criminal, tax, administrative and commercial laws that have positively affected the overall investment climate of the country. Georgia has an international reputation as a country with a favorable investment environment. Georgia has been assigned a score of 53 (it shares 53-th places with Cyprus, Grenada and Rwanda within 180 countries) as demonstrated by Transparency International's 2024 Global Corruption Barometer. Georgia’s score has declined insignificantly by 3 compared to previous year. (Year 2023, 53 Point)

NOTE 3 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The Company maintains its accounting records in accordance with Georgian accounting regulations. These financial statements have been prepared from those accounting records and adjusted as necessary in order to be in accordance with IFRS.

Assets and liabilities in the statements of financial position are presented broadly in order of liquidity rather than separated as current and non-current.

These financial statements have been measured in Georgian Lari (“GEL”).

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates.

NOTE 4 Significant accounting policies

4.1 New and revised standards and interpretations

Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.

These amendments together impact the classification as current or non-current for liabilities with covenants and convertible notes that the Company has issued with liability classified conversion features. This amendment has been applied retrospectively. As a result of adopting this amendment, in 2023, the convertible note has been reclassified from non-current to current. These changes had no impact on the classification of the company's borrowings and loan-related liabilitie

Amendments to IAS 7 & IFRS 7 Supplier Financing Arrangements.

This amendment has no impact on the amounts recognised in the financial statements but has resulted in additional disclosures regarding the nature of the Company's supplier financing arrangements.

4.2 Standards and interpretations that have been issued but are not yet effective for the year ended December 31, 2023

The following standards and amendments are not yet effective but may have a material impact on the financial statements of the Group in the future.

Amendments to IFRS 9 and IFRS 7 Amendments to the classification and Measurement of Financial Instruments

These amendments change the requirements as to when a financial liability can be derecognised when it is settled via electronic transfer as well as when cash flows can be considered simply payments of principal and interest and hence the ability to classify assets as at amortised cost.

Whilst the Company is still assessing the impacts, the current expectation is that the amendments relating to the timing of derecognition of the liabilities may impact Company's financial liabilities, however the amendment relating to the classification of financial assets Is not expected to have an impact on the Company.

The amendments are applicable for the 2026 Financial statements.

IFRS 18 Presentation and Disclosure of Financial Statements

This standard will replace IAS 1 Presentation of Financial Statements. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Statement of Profit and Loss and consequential impacts on the Statement of Cash Flows. It will also require the disclosure of non-IFRS management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

IFRS 18 applies for periods beginning on or after 1 January 2027 and will be applied retrospectively. The company is still currently assessing the impact that IFRS 18 will have on the company.

There are no other new standards or amendments that are expected to have a material impact on the company.

4.3 Financial instruments

Initial recognition and measurement

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. On initial recognition, the Company recognises all financial assets and financial liabilities at fair value. The fair value of a financial asset / liability on initial recognition is normally represented by the transaction price. The transaction price for financial assets / liabilities other than those classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition / issue of the financial instrument.

Transaction costs incurred on acquisition of a financial asset and issue of a financial liability classified at fair value through profit or loss are expensed immediately.

The company recognizes the financial assets on the payment date, the asset is recognized on the day the company receives it and its recognition is terminated on the day the company sells it.

Subsequent measurement of financial assets

Subsequent measurement of financial assets depends on their classification on initial recognition.

Financial assets are measured at amortised cost if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (b) 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.

NOTE 4 Significant accounting policies *(continued)*

4.3 Financial instruments *(continued)*

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (b) 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.

All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election at initial recognition for investments in equity instruments to present subsequent profit or loss in the statement of other comprehensive income.

Impairment of financial assets

The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

In addition, for loans issued that are assessed not to be impaired individually, the Company assesses them collectively for impairment, based on the Company's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on loans issued, etc (Note 5).

For financial assets measured at amortized cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortized cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

Derecognition of financial assets

Irrespective of the legal form of the transactions, financial assets are derecognised when they pass the “substance over form” based derecognition test prescribed by IFRS 9. That test comprises two different types of evaluations which are applied strictly in sequence:

- Evaluation of the transfer of risks and rewards of ownership
- Evaluation of the transfer of control

Subsequent measurement of financial liabilities

Subsequent measurement of financial liabilities depends on how they have been categorised on initial recognition. The Company classifies financial liabilities in one of the following two categories:

Liabilities at fair value through profit or loss (FVTPL) Liabilities are classified in this category when they are held principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or meet the conditions for designation in this category. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as they arise.

Other financial liabilities - All liabilities which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortized cost using the effective interest method.

Derecognition of financial liabilities

A financial liability is removed from the Company’s statement of financial position only when the liability is discharged, cancelled or expired (i.e. extinguished). The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

NOTE 4 Significant accounting policies *(continued)*

4.4 Cash and cash equivalents

Cash and cash equivalents include: cash on hand and cash held in banks on current and deposit accounts.

4.5 Loans to customers

Loans to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans to customers are initially recognized at the fair value (which is equal to the amount disbursed to customer), plus related transaction costs directly related to the issuance of the loan. Loans are subsequently carried at amortized cost using the effective interest method. Loans to customers are carried net of any allowance for impairment losses.

The amortized cost of a loan is the amount at which the loan is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related loan and amortized based on the effective interest rate.

Impairment allowances are determined based on the forward-looking ECL models. Note 5 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Company incorporates forward-looking information in the ECL models.

4.6 Advances paid

Advances paid to suppliers of goods and services are initially recognized at the amount paid and are adjusted as necessary to reflect possible impairment of these advances. Advances are considered to be impaired when there is objective evidence that the Company will not be able to receive all goods or services according to the original terms of the agreements with counterparties.

Advances denominated in foreign currencies are presented at the exchange rates prevailing on the payment date and are not restated at the exchange rate of the balance sheet date.

4.7 Property, plant and equipment

Tangible items that are held for use in supply of services, for rental to others, or for administrative purposes and are expected to be used during more than one period are recognized in the balance sheet as property and equipment. Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use. The estimated useful lives of the groups of PP&E are disclosed in the following table.

Asset group	Estimated useful life
Buildings	50 years
Computer and communication equipment	5-7 years
Vehicles	10 years
Office fitting and fixtures	5-10 years
Other assets	5-10 years

The useful lives, residual values and depreciation methods are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from those assets. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

NOTE 4 Significant accounting policies *(continued)*

4.8 Intangibles

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recognized in the balance sheet if, and only if (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and (b) the cost of the asset can be measured reliably. Following initial recognition, intangible assets with determinable useful life are carried at cost less any accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method and over the useful life. Intangible assets with indefinite useful lives are not amortized. They are rather tested for impairment annually and impairment loss recognized in profit and loss immediately, when occurs. Intangible assets with indefinite useful lives are reviewed annually with the objective to assess whether their useful lives are still undetermined. If the analysis indicates that the useful life is determinable then such intangibles are amortized over identified useful lives.

The amortization rates of the groups of Intangibles are disclosed in the following table.

Asset group	Amortization rate
Licenses	10% - 15%
Software	15%

Licenses include software licenses and MasterCard License.

4.9 Investments in associates

Investments in associates are accounted for using the equity method. Associates are entities over which Company has significant influence, but not control or joint control. Significant influence is presumed to exist when Company holds 20% to 50% of the voting power of another entity.

Under the equity method, investments are initially recognized at cost and adjusted thereafter to recognize Company 's share of the post-acquisition profits or losses and movements in other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment.

At each reporting date, Company assesses whether there is any indication that an investment in an associate may be impaired. If there is such an indication, the entire carrying amount of the investment is tested for impairment by comparing its recoverable amount to its carrying amount. Any impairment loss is recognized in the income statement.

The carrying amount of investments in associates is disclosed in the financial statements, along with Company's share of the associate's profit or loss and other comprehensive income.

4.10 Income taxes

Income taxes have been provided for in the financial statements in accordance with the legislation enacted or substantively enacted by the end of reporting period in Georgia. The income tax charge/credit comprises current tax and deferred tax and is recognised in profit or loss except if it is recognised directly in other comprehensive income because it relates to transactions that are also recognised, in the same or a different period, directly in other comprehensive income.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes, other than on income, are recorded within administrative and other operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of reporting period which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

On May 13, 2016, the Parliament of Georgia adopted a draft law on the corporate profit tax reform (the so-called Estonian model of profit tax), which primarily shifts the taxation moment from the receipt of taxable profit to the distribution of profit. The law came into force in 2016 and applies to tax periods starting from January 1, 2017. It concerns all enterprises except financial institutions (such as banks, insurance companies, microfinance organizations, and pawnshops), for which the law initially came into effect on January 1, 2020.

On January 1, 2023, significant amendments to the Tax Code of Georgia came into force. Specific changes were made to the taxation regime of banking institutions, credit unions, microfinance organizations, and lending enterprises, including the definition of standards for accounting for interest income and potential loss reserves. According to other significant amendments:

NOTE 4 Significant accounting policies *(continued)*

4.10 Income taxes *(continued)*

* The subject of profit tax for commercial banks, credit unions, microfinance organizations and lending enterprises is the difference between the total income received during the calendar year and the deductions determined by the tax code.

* Commercial banks, credit unions, and microfinance organizations recognize interest accrued on loans as income and deduct the loan loss reserves from the total income according to the standard.

* The corporate profit tax rate for commercial banks, credit unions, microfinance organizations, and lending enterprises is 20%.

* Dividends issued by commercial banks, credit unions, insurance organizations, microfinance organizations and lending enterprises from the profits of 2023 and subsequent periods are not taxed at the source of payment and should not be included in the gross income of the recipient of the dividends

4.11 Impairment of non financial assets

Non-financial assets, which in these financial statements of the Company include Property, plant and equipment, are assessed at each reporting date for any indications of impairment.

An impairment loss is recognized when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of such non-financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

All impairment losses in respect of such non-financial assets are recognized in profit or loss and reversed only if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss is only reversed to the extent that the asset's carrying amount does not exceeds the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.12 Loans and borrowings

Loans and borrowings are carried at amortized cost using the effective interest method. Borrowing costs are recognized as an expense in the profit and loss in the period when they are incurred.

4.13 Leases

Since January 1, 2019, the Company implemented IFRS 16 - "Leases", based on which the Company recognizes right-of-use asset and lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases.

Right-of-use asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, with the depreciation presented within depreciation expense in statement of comprehensive income.

The recognised right-of-use assets relate to properties for own use, in particular branches and office buildings.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Lease liabilities are subsequently reduced by lease payments. Each lease payment is allocated between the liability and interest expense. Interest expense on the lease liability is presented within interest expense in the statement of comprehensive income.

Lease payments include fixed payments. When the lease contains an extension or termination option that the Company considers reasonably certain to be exercised, the expected rental payments or costs of termination are included within the lease payments used to generate the lease liability.

Lease liabilities generally include the net present value of the following lease payments:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

NOTE 4 Significant accounting policies *(continued)*

4.13 Leases *(continued)*

The weighted average lessee's incremental borrowing rate applied to the lease liabilities in 2024 was 7.4% for USD denominated contracts and 12.96 % for GEL denominated contracts (2023: 6.63% and 13.06%, respectively).

After the lease commencement date, lease liabilities are increased by the accrued interest and decreased by the lease payments made. In addition, the Company reassesses lease liabilities if modification in the terms of the lease agreement occur.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.14 Other liabilities

Other liabilities are recognized initially at fair value and subsequently measured at amortized cost.

4.15 Share capital

The amount of Company's share capital is defined by the Company's Charter. The changes in the Company's Charter (including changes in share capital, ownership, etc) shall be made only based on the decision of the Company's shareholders. The authorized capital is recognized as share capital in the equity of the Company to the extent that it was actually contributed by the shareholders to the Company.

Treasury shares

Where the Company purchases its own equity share capital, the consideration paid is deducted from equity attributable to the Company's equity holders until such shares are cancelled or reissued.

4.16 Interest income and expense recognition

Interest income and expense are recorded in the income statement for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

4.17 Fees, commissions and other incomes and expenses

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer.

Applying IFRS 15, an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To recognise revenue under IFRS 15, an entity applies the following five steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when or as a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The adoption of IFRS 15 did not have any impact on the timing or amount of fee and commission income from contracts with customers and the related assets and liabilities recognised by the Company.

All other fees, commissions and other income and expense items are generally recorded on an accrual basis by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

NOTE 4 Significant accounting policies *(continued)*

4.19 Foreign currency translation

Transactions denominated in foreign currency are recorded at the exchange rate ruling on the transaction date. Exchange differences resulting from the settlement of transactions denominated in foreign currency are included in the statement of comprehensive income using the exchange rate ruling on that date.

Monetary assets and liabilities denominated in foreign currency are translated into Georgian Lari at the official exchange rate of the National Bank of Georgia (NBG) at the balance sheet date. As at December 31, 2024 the principal rates of exchange used for translating foreign currency balances were:

	31-Dec-24	31-Dec-23
US Dollar (USD)	2.8068	2.6894
EURO (EUR)	2.9306	2.9753
United Kingdom Pound (GBP)	3.5349	3.4228
Azerbaijani Manat (AZN)	1.6510	1.5806
Russian Ruble (RUR)	0.0254	0.0299
Swiss Franc (CHF)	3.1118	3.2085
Canadian Dollar (CAD)	1.9511	2.0285
Turkish Lira (TRY)	0.0795	0.0910
Bangladeshi Taka (BDT)	0.0235	0.0245
Armenian Dram (AMD)	0.0071	0.0067
Chinese Yuan (CNY)	0.3845	0.3782
United Arab Emirates Dirham (AED)	0.7642	0.7323
Swedish Krona (SEK)	0.2554	0.2687
Polish Zloty (PLN)	0.6868	0.6845
Indonesian Rupiah (IDR)	0.0002	0.0002
Philippine Peso (PHP)	0.0485	0.0485
Japanese Yen (JPY)	0.0178	0.0190
Israeli Shekel (ILS)	0.7677	0.7442
Moldova Lei (MDL)	0.1525	0.1543
Bahraini Dinar (BHD)	7.4364	7.1290
Jordanian Dinar (JOD)	3.9563	3.7906
Kuwaiti Dinar (KWD)	9.1100	8.7489
Qataeri Riyal (QAR)	0.7708	0.7385
Saudi Arabian Riyal (SAR)	0.7469	0.7167
Ukrainian Hryvnia (UAH)	0.0667	0.0707
Brazilian Real (BRL)	0.4533	0.5537
Kazakhstani Tenge (KZT)	0.5367	0.0059
Sri Lankan Rupee (SLR)	0.0096	0.0083
Nepali Rupee (NPR)	0.0205	0.0202
Pakistani Rupee (PKR)	0.0101	0.0095
Bulgarian Lev (BGN)	1.4976	1.5212
Indian Rupee (INR)	0.0328	0.0323
Romanian Leu (RON)	0.5889	0.5981
Uzbekistani Som (UZS)	0.0002	-

4.20 Offsetting

Financial assets (loans and receivables) and financial liabilities (borrowings and accounts payable) are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Incomes and liabilities are not offset unless required or permitted by IFRS and as specifically disclosed in the accounting policies of the Company.

NOTE 5 Critical accounting judgments

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

a) Useful lives of property and equipment

The estimation of the useful life property and equipment is a matter of management estimate based upon experience with similar assets. In determining the useful life of an item of property, plant and equipment, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates.

b) Determining the lease term as lessee

When determining the lease term, the Company's management considers all circumstances that create an incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Company is reasonably certain to extend the lease (or not to terminate). The assessment is reviewed if any significant change in circumstances occurs affecting this assessment and that is within the control of the lessee.

c) Estimating the incremental borrowing rate

When the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure its lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore requires estimation when no observable rates are available to the Company or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as interest rates on own borrowings and/or commercial bank's interest rates on similar loans) when available and market interest rates when no other obseravble inputs are available. The Company uses same discount rate to a portfolio of leases with similar characteristics. Lease agreements were divided according to the type of agreement, currecny and lease terms: 1-2 years, 2-5 years, over 5 years.

d) Expected credit loss

From January 2019, the Company adopted a new provisioning methodology which is in line with IFRS 9 requirements. The updated methodology makes it possible to assess loan loss provisions and allowances accurately with the incorporation of forward-looking information.

The company divides the loans in the loan portfolio into segments according to their common characteristics and similar credit risk profiles. The following types of loans are used for the reporting period:

- Pawn loans (loans secured by precious stones and metals);
- Credit lines (secured and guaranteed);
- Mortgage / consumer loans (real estate loans);
- Consumer loans (secured by collateral or real estate).

Both collective and individual approaches were used for measurement of each segment.

When determining the ECL, the accounting model considers the historical and current data of the loan, as well as future macroeconomic forecasts, for which the macroeconomic scenarios of the NBG are used.

The accounting model uses credit risk modeling established by the Company in the calculation of ECL and consists of the following components:

Expected Loan Loss (ECL) = Default Rate Position (EAD) * Default Probability (PD) * Loss Default Loss (LGD), where:

- Exposure at default ("EAD") is defined as the balance of the principal amount of the loan for the reporting period;
- Probability of default ("PD") is defined as the probability of loan default for the reporting period;
- Loss given default ("LGD") is defined as the loss of the principal amount of the loan for the reporting period in the case of its default.

NOTE 5 Critical accounting judgments *(continued)*

d) Expected credit loss (continued)

The positions of the PD and LGD are evaluated according to macroeconomic scenarios, which include GDP growth ("GDP") and Consumer Price Index ("CPI") inflation over the next 1 year from the reporting period. GDP and CPI indicators are based on baseline, optimistic and pessimistic forecast scenarios, which are based on 50%, 25% and 25% probabilities, respectively.

The Company uses a “three-stage” model for impairment of loans to customers based on changes in credit quality since initial recognition summarized bellow:

- The loan is classified in “stage 1” at the time of issuance or at initial recognition, when PD is equal to or less than 50%. The loan classified in “stage 1” has a 12-month ECL and has its credit risk continuously monitored by the Company.
- The loan is classified in “stage 2”:
  a) At the time of issuance or at initial recognition during the reporting period, when the PD is greater than 50%;
  b) When there is a significant increase in its credit risk;
  c) With the permanent type of ECL, its PD is no longer reduced and its status is not restored to first stage ECL in the future reporting periods.
- If the financial instrument classified in "stage 2" is considered credit-impaired or inactive, it is then moved to “stage 3”.

Financial instrument on stage 1 have expected credit loss measured at an amount equal to the portion of lifetime expected credit loss that result from default events possible within next 12 months. Instruments on stages 2 and 3 have their expected credit loss measured based on expected credit losses on a lifetime basis.

Definition of default - The borrower is classified as defaulted if at least one of the following occurred:

- In case of Pawn Loans - when PD> 50%, the loan is considered as defaulted.
- In case of Credit Lines - default on a loan is defined as a loan overdue for more than 89 days. An approach is used to assess the accuracy of the algorithm, when PD> 50%, the loan is considered as defaulted.
- In case of Mortgage/Consumer Loans - default on a loan is defined as a loan overdue for more than 89 days.
- In case of Consumer Loans - default on a loan is defined as a loan overdue for more than 89 days.

e) Taxation

The Company is primarily subject to taxation in Georgia. Georgian tax, currency and customs legislation is subject to varying interpretations. The management of the Company recognizes liabilities for anticipated additional tax assessments as a result of tax audits based on estimates of whether it is probable that additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax provisions in the period in which such determinations are made.

NOTE 6 Cash and cash equivalents

	Note	31-Dec-24	31-Dec-23
Cash on hand	6.1	8,753,138	9,965,313
Restricted cash in bank	6.1	32,762	233,039
Cash in bank	6.1	13,400,724	18,810,857
Cash in transit	6.1	1,516,910	2,942,543
Total		**23,703,535**	**31,951,752**

6.1 Breakdown of cash and cash equivalents by currency

	31-Dec-24	31-Dec-23
Georgian Lari (GEL)	3,611,371	3,627,017
US Dollar (USD)	6,185,396	10,067,688
EURO (EUR)	10,780,135	14,056,432
United Kingdom Pound (GBP)	499,717	3,172,539
Azerbaijani Manat (AZN)	289	2,113
Russian Ruble (RUR)	48,492	203,724
Swiss Franc (CHF)	71,227	111,907
Canadian Dollar (CAD)	195	1,045
Turkish Lira (TRY)	11,138	18,102
Bangladeshi Taka (BDT)	75,533	96,573
Armenian Dram (AMD)	11,916	39,848
Chinese Yuan (CNY)	565	1,528
United Arab Emirates Dirham (AED)	21,874	73,868
Swedish Krona (SEK)	1,785	2,523
Polish Zloty (PLN)	2,150	6,995
Philippine Peso (PHP)	2,089,268	253,281
Japanese Yen (JPY)	2,313	-
Moldovan Leu (MDL)	731	2,651
Israel Shekel (ILS)	1,535	15,866
Ukraine Hryvnia (UAH)	-	415
Indonesian Rupiah (IDR)	8,806	32,440
Bahreinian Dinar(BHN)	48	1,091
Kuwait Dinar (KWT)	1,255	3,876
Qatari Rial (QAR)	1,634	3,898
Saudi arabian Riyal (SAR)	2,849	37,087
Kazakhstani Tenge (KZT)	121	121
Sri Lankan Rupee (SLR)	70,752	47,508
Pakistani Rupee (PKR)	72,723	71,616
Nepalian Rupiah (NPR)	129,716	-
Total	**23,703,535**	**31,951,752**

The majority of the Company's cash in banks is with banks rated by Fitch as B (short-term rating), BB- (long-term rating).

NOTE 7 Receivables from / payables to money transfer companies

The Company records receivables from the general partner immediately before the payment is made. At the same time, the Company records the amounts sent by the general partner as contingent liabilities on transit account as soon as these amounts are sent before the payment is made. As at December 31, 2024 receivables from and payables to money transfer companies amounts to GEL 10,703,697 and GEL 36,372,449 respectively (2023: GEL 14,358,401 and GEL 40,598,446 respectively).

NOTE 8 Loans to customers

The Company issues loans mainly to individuals for any purposes. Loans are issued in GEL from 1 month up to 10 years. Loans to customers bear an interest in the range 24% to 48% per annum. The loans are divided by repayment schedule in 2 categories: loans with principal repayment at maturity and loans with annuity repayment schedule. In all cases loans to customers are secured by real estate, surety, precious metals/stones, antiques, cars, borrowings received from borrowers (or third parties) or guarantee, although some loans are non-collaterized.

	Note	31-Dec-24	31-Dec-23
Pawn loans		17,399,212	13,315,745
Mortgage / consumer loans		9,030,902	6,398,311
Credit line		1,901,626	1,967,764
Consumer loans		708,905	463,582
Interest accrued		326,685	289,454
Gross loans to customers	**8.1; 8.2**	**29,367,330**	**22,434,856**
Less: Allowance for impairment	8.4	(465,050)	(411,778)
Net loans to customers		**28,902,280**	**22,023,078**

8.1 Gross loan portfolio by principal and accrued interest

	Note	31-Dec-24	31-Dec-23
Loan principal	8.2; 8.3; 8.4; 8.5	29,040,645	22,145,402
Interest accrued		326,685	289,454
Total gross portfolio		**29,367,330**	**22,434,856**

8.2 Breakdown of gross loan portfolio by loan term

	31-Dec-24	31-Dec-23
Up to 1 Year	19,203,683	14,130,084
1 to 3 Years	1,863,717	2,776,749
3 to 5 Years	3,144,589	2,031,936
More than 5 Years	4,828,657	3,206,633
Gross loans to customers	**29,040,646**	**22,145,402**

8.3 Collateral analysis

Every loan that the Company possesses is mainly collateralized with real estate (lands, building), cars, borrowing from borrowers (or third parties), guarantees, precious metals/stones or antiques.

The following table provides analysis of loan balances (without deduction of loan loss provision) against estimated fair values (less costs to sell: FVLCS) of respective collaterals:

	As at 31-Dec-24		**As at 31-Dec-23**	
	Loan carrying value	FVLCS of collateral	Loan carrying value	FVLCS of collateral
Pawn loans	17,399,212	32,614,896	13,315,745	24,354,767
Mortgage/Consumer loans	9,030,902	27,270,356	6,398,311	19,128,806
Credit Line	1,901,626	272,115	1,967,764	222,322
Consumer Loan	708,905	232,547	463,582	282,770
Total	**29,040,645**	**60,389,914**	**22,145,402**	**43,988,665**

** FVLCS - Fair Value of Collateral Less Costs to Sell*

NOTE 8 Loans to customers *(Continued)*

8.4 Loan loss reserve

Loan loss reserve as of December 31, 2024 are presented below:

	Stage 1	Stage 2	Stage 3	
	12-months ECL	lifetime ECL for SICR	lifetime ECL for credit impaired	**Total**
Credit Loss allowance as of January 1, 2024 per IFRS	**108,992**	**96,642**	**206,144**	**411,778**
New issue of loans to customers	75,601	3,015	49,248	**127,864**
Transfer to stage 2	(9,439)	87,188	-	**77,749**
Transfer to stage 3	-	(71,255)	53,466	**(17,789)**
Covered loans to customers	(35,797)	(17,782)	(65,997)	**(119,576)**
Amounts written off during the period	(251)	(103)	-	**(354)**
Effect of change in credit risk	2,775	2,044	(19,439)	**(14,621)**
Credit Loss allowance as of December 31, 2024	**141,881**	**99,747**	**223,423**	**465,050**

Gross book value of loans to customers as of December 31, 2024 are presented below:

	Stage 1	Stage 2	Stage 3	
	12-months ECL	lifetime ECL for SICR	lifetime ECL for credit impaired	**Total**
Loans to customers as of January 1, 2024 per IFRS 9	**21,737,006**	**190,392**	**507,459**	**22,434,857**
New issue of loans to customers	19,356,158	30,754	162,804	**19,549,715**
Transfer to stage 2	(201,800)	188,962	-	**(12,838)**
Transfer to stage 3	-	(112,399)	76,553	**(35,846)**
Covered loans to customers	(11,076,399)	(44,839)	(196,007)	**(11,317,244)**
Amounts written off during the period	(164,309)	(2,938)	-	**(167,246)**
Effect of change in credit risk	(1,031,724)	2,439	(54,783)	**(1,084,068)**
Loans to customers as of December 31, 2024	**28,618,933**	**252,372**	**496,025**	**29,367,330**

Loan loss reserve as of December 31, 2023 are presented below:

	Stage 1	Stage 2	Stage 3	
	12-months ECL	lifetime ECL for SICR	lifetime ECL for credit impaired	**Total**
Credit Loss allowance as of January 1, 2023 per IFRS	**65,410**	**127,055**	**42,348**	**234,813**
New issue of loans to customers	42,712	7,441	67,603	**117,756**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	(5,715)	88,257	-	**82,542**
Transfer to stage 3	-	(93,123)	92,495	**(628)**
Covered loans to customers	(14,406)	(32,482)	(5,909)	**(52,797)**
Amounts written off during the period	(948)	(127)	-	**(1,075)**
Recovery of previously written-off loans	-	-	-	**-**
Effect of change in credit risk	21,939	(380)	9,608	**31,167**
Credit Loss allowance as of December 31, 2023	**108,992**	**96,641**	**206,145**	**411,778**

NOTE 8 Loans to customers *(Continued)*

8.4 Loan loss reserve *(continued)*

Gross book value of loans to customers as of December 31, 2023 are presented below:

	Stage 1	Stage 2	Stage 3	
	12-months ECL	lifetime ECL for SICR	lifetime ECL for credit impaired	**Total**
Loans to customers as of January 1, 2023 per IFRS 9	**17,035,097**	**398,534**	**60,006**	**17,493,638**
New issue of loans to customers	11,156,737	18,364	223,479	**11,398,580**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	(182,737)	143,250	-	**(39,486)**
Transfer to stage 3	-	(257,956)	231,765	**(26,192)**
Covered loans to customers	(5,342,605)	(108,412)	(8,774)	**(5,459,791)**
Amounts written off during the period	(375,255)	(2,727)	-	**(377,982)**
Recovery of previously written-off loans	-	-	-	**-**
Effect of change in credit risk	(554,231)	(661)	982	**(553,909)**
Loans to customers as of December 31, 2023	**21,737,006**	**190,392**	**507,459**	**22,434,857**

8.5 Loan issued by Principal

Year 2024	**Mortgage/ Consumer loans**	**Pawn loans**	**Consumer Loan**	**Credit Line**	**Total**
As at 31-Dec-2023	**6,398,312**	**13,219,772**	**463,326**	**1,941,668**	**22,023,078**
Reclassification					**-**
Additions	6,613,077	24,868,199	3,533,782	29,192,964	**64,208,021**
Principal paid	(3,976,032)	(20,385,680)	(3,288,759)	(29,247,419)	**(56,897,890)**
Written off Principal	-	(430,930)	-	-	**(430,930)**
As at 31-Dec-2024	**9,035,357**	**17,271,362**	**708,349**	**1,887,212**	**28,902,280**

Year 2023	**Mortgage/ Consumer loans**	**Pawn loans**	**Consumer Loan**	**Credit Line**	**Total**
As at 31-Dec-2022	**4,874,006**	**10,316,194**	**351,142**	**1,952,295**	**17,493,638**
Reclassification					**-**
Additions	4,106,232	14,163,714	2,058,274	29,448,072	**49,776,292**
Principal paid	(2,581,926)	(10,638,558)	(1,946,090)	(29,458,699)	**(44,625,273)**
Written off Principal	-	(621,578)	-	-	**(621,578)**
As at 31-Dec-2023	**6,398,312**	**13,219,772**	**463,326**	**1,941,668**	**22,023,078**

NOTE 9 Tax assets

	31-Dec-24	**31-Dec-23**
Income tax paid	639,229	320,458
VAT paid	74,284	70,185
Other tax asset	33,266	60,380
Total	**746,779**	**451,023**

NOTE 10 Right-of-use assets and lease liabilities

The Company leases property for its own use, in particular offices and branches. Rental contracts are typically made for fixed periods of 1 to 7 years.

The right of use assets by class of underlying items during 2024 and 2023 is analysed as follows:

Year 2024	Buildings	**Total**
Cost		
As at 31-Dec-2023	3,095,987	**3,095,987**
Additions	702,479	**702,479**
Lease Modification	-	**-**
As at 31-Dec-2024	**3,798,466**	**3,798,466**
Accumulated Depreciation		
As at 31-Dec-2023	(2,422,701)	**(2,422,701)**
Depreciation charge for the year	(447,056)	**(447,056)**
As at 31-Dec-2024	**(2,869,757)**	**(2,869,757)**
Net carrying amount		
As at 31-Dec-2023	**673,286**	**673,286**
As at 31-Dec-2024	**928,709**	**928,709**

Year 2023	Buildings	**Total**
Cost		
As at 31-Dec-2022	3,023,582	**3,023,582**
Additions	167,144	**167,144**
Lease Modification	(94,738)	**(94,738)**
As at 31-Dec-2023	**3,095,987**	**3,095,987**
Accumulated Depreciation		
As at 31-Dec-2022	(1,935,610)	**(1,935,610)**
Depreciation charge for the year	(487,092)	**(487,092)**
As at 31-Dec-2023	**(2,422,701)**	**(2,422,701)**
Net carrying amount		
As at 31-Dec-2022	**1,087,972**	**1,087,972**
As at 31-Dec-2023	**673,286**	**673,286**

As at December 31, 2024, the balances of right of the use asset and the lease liability are GEL 928,709 and GEL 870,800 respectively (December 31, 2023: GEL 673 286 and GEL606 642, respectively). The interest charge on lease liabilities presented within interest expense in the statement of comprehensive income amounted GEL 54,766 (2023: GEL 65 193).

Rent expense relating to short-term leases that are included in operating and administrative expenses amounted to GEL 299 745 (2023: GEL 272,130)

Total cash outflow for leases in 2024 was GEL 425,251 (2023: GEL 413,794)

NOTE 11 Property plant and equipment

Year 2024	Land and Buildings	Computer and communication equipment	Vehicles	Office fitting and fixtures	Other fix assets	**Total**
Historical Cost						
As at 31-Dec-2023	2,723,637	465,139	161,167	206,209	1,021,347	**4,577,499**
Additions	-	41,931	228,703	14,627	101,824	**387,086**
Disposals	-	(4,440)	(59,623)	(4,267)	(17,587)	**(85,918)**
As at 31-Dec-2024	**2,723,637**	**502,630**	**330,247**	**216,569**	**1,105,583**	**4,878,667**
Accumulated Depreciation						
As at 31-Dec-2023	(559,031)	(368,720)	(149,076)	(143,311)	(695,282)	**(1,915,420)**
Charge for the year	(53,550)	(26,645)	(13,053)	(14,040)	(138,317)	**(245,605)**
Acc. depreciation of disposals	-	4,440	57,335	4,126	17,551	**83,452**
As at 31-Dec-2024	**(612,581)**	**(390,925)**	**(104,794)**	**(153,225)**	**(816,047)**	**(2,077,572)**
Net Book Value						
As at 31-Dec-2023	**2,164,606**	**96,419**	**12,091**	**62,898**	**326,065**	**2,662,079**
As at 31-Dec-2024	**2,111,056**	**111,705**	**225,453**	**63,344**	**289,536**	**2,801,095**

Year 2023	Land and Buildings	Computer and communication equipment	Vehicles	Office fitting and fixtures	Other fix assets	**Total**
Historical Cost						
As at 31-Dec-2022	2,604,096	428,131	159,400	180,939	943,080	**4,315,646**
Additions	119,541	38,944	1,767	25,270	118,626	**304,148**
Disposals	-	(1,936)	-	-	(40,359)	**(42,294)**
As at 31-Dec-2023	**2,723,637**	**465,139**	**161,167**	**206,209**	**1,021,347**	**4,577,500**
Accumulated Depreciation						
As at 31-Dec-2022	(502,271)	(332,008)	(144,315)	(120,035)	(557,011)	**(1,655,640)**
Charge for the year	(56,760)	(37,197)	(4,761)	(23,276)	(165,562)	**(287,555)**
Acc. depreciation of disposals	-	485	-	-	27,290	**27,775**
As at 31-Dec-2023	**(559,031)**	**(368,720)**	**(149,076)**	**(143,311)**	**(695,282)**	**(1,915,420)**
Net Book Value						
As at 31-Dec-2022	**2,101,825**	**96,123**	**15,085**	**60,904**	**386,069**	**2,660,006**
As at 31-Dec-2023	**2,164,606**	**96,419**	**12,091**	**62,898**	**326,065**	**2,662,080**

For the year ended December 31, 2023, PP&E in the amount of GEL 1,466,613 (55% of the Company's total PP&E) is collateralized to cover liabilities against Loans taken from Banks.

NOTE 12 Intangibles

Year 2024	Licenses	Software	**Total**
Historical Cost			
As at 31-Dec-2023	629,845	420,395	**1,050,240**
Additions	-	178,269	**178,269**
Disposals	-	(2,442)	**(2,442)**
As at 31-Dec-2024	**629,845**	**596,223**	**1,226,068**
Accumulated Amortization			
As at 31-Dec-2023	(357,354)	(290,262)	**(647,616)**
Accumulated Amoritzation of Disposals	-	(56,730)	**(56,730)**
As at 31-Dec-2024	**(357,354)**	**(346,991)**	**(704,345)**
Net Book Value			
As at 31-Dec-2023	**272,491**	**35,693**	**308,184**
As at 31-Dec-2024	**272,491**	**249,232**	**521,723**

Year 2023	Licenses	Software	**Total**
Historical Cost			
As at 31-Dec-2022	629,845	267,234	**897,079**
Additions	-	155,603	**155,603**
Disposals	-	(2,442)	**(2,442)**
As at 31-Dec-2023	**629,845**	**420,395**	**1,050,240**
Accumulated Amortization			
As at 31-Dec-2022	(357,354)	(231,541)	**(588,895)**
Charge for the year	-	(58,796)	**(58,796)**
Accumulated Amoritzation of Disposals	-	76	**76**
As at 31-Dec-2023	**(357,354)**	**(290,262)**	**(647,616)**
Net Book Value			
As at 31-Dec-2022	**272,491**	**35,693**	**308,184**
As at 31-Dec-2023	**272,491**	**130,134**	**402,625**

Note 13 Investment in associates

The investments of associate companies may be presented as follow:

	2024		**2023**	
	JSC Balavari (24,06%)	**Total**	**JSC Balavari (24,06%)**	**Total**
January 1	**717,541**	**717,541**	**-**	**-**
Share purchase	-	**-**	743,044	**743,044**
Impairment	(68,207)	**(68,207)**	(25,503)	**(25,503)**
December 31	**649,334**	**649,334**	**717,541**	**717,541**

The financial information of associate companies as of December 31, 2024 and 2023, may be presented as follows:

JSC Balavari	**Year 2024**	**Year 2023**
Assets	5,003,430	1,922,393
Liabilities	4,114,358	(734,955)
Total Net Assets	**9,117,788**	**1,187,438**
Entity's % in net assets	24.06%	24.06%
Income	28,471	922
Expenses	(311,912)	(106,902)
Profit / (Loss)	**(283,442)**	**(105,980)**

NOTE 14 Deferred and current income taxes

Components of deferred tax: asset / (liability)	31-Dec-24	31-Dec-23
Property, plant and equipment	(252,299)	(153,699)
Intangibles	11,257	5,049
Right-of-use assets	(185,743)	(100,993)
Loans and borrowings	(1,250)	40
Payables from money transfer companies	(3,415)	1,638
Lease liabilities	174,160	90,996
Other liabilities	6,775	(18,811)
The effect of tax rate changes	-	(58,593)
Net deferred income tax asset (liability)	**(250,515)**	**(234,373)**

From January 1, 2023, a change was introduced in the tax legislation, specifically: the income tax rate increased from 15% to 20%.

The reasons which give raise to deferred taxes are briefly described below:

Receivables from money transfer companies - Receivables from money transfer companies are stated net of doubtful and bad debts which are not recognized for tax purposes until certain administrative and legal procedures are followed and completed. Until that time bad debts recognized in balance sheet but not recognized for tax purposes give raise to deferred tax.

PP&E and intangibles - There are certain differences in assets recognition criteria, depreciation /amortization methods and useful life estimations between IFRS and Georgian tax Code which cause differences between IFRS-determined carrying value of PP&E/Intangibles and the tax base of those assets. This difference gives raise to deferred tax. Also, some write-offs of PP&E recognized in IFRS financial statements in one period can only be deducted for tax purposes in later periods, when certain administrative procedures are completed.

Right-of-use assets and lease liabilities - There are certain differences in assets recognition criteria between IFRS and Georgian tax Code. In particular, under IFRS leases are recognised as expense in form of depreciation and interest expense, while under Georgian tax Code only the contract value of lease is recognised as expense.

Loans and borrowings - Interest expenses on loans payable to physical persons and non-resident entities are deductible for tax purposes on a cash basis. i.e. when paid, while in financial statements they are recognized in accordance with accruals method.

Payables from money transfer companies - commission fees payable to non-resident entities are deductible for tax purposes on a cash basis. i.e. when paid, while in financial statements they are recognized in accordance with accruals method.

Other liabilities - Other liabilities payable to physical persons and non-resident entities are deductible for tax purposes on a cash basis. i.e. when paid, while in financial statements they are recognized in accordance with accruals method.

Movement in the deferred tax during the year	Year 2024	Year 2023
At the beginning of the year - asset (liability)	(234,373)	(225,314)
Movement for the year – benefit / (expense)	(16,142)	(9,059)
At the end of the year	**(250,515)**	**(234,373)**

Income tax expense for the year	Year 2024	Year 2023
Statutory tax expense	(542,756)	(696,136)
Effect of deferred taxation	(16,142)	(9,059)
Total Income tax (expense)/benefit for the year	**(558,898)**	**(705,195)**

NOTE 15 Other assets

Other assets	31-Dec-24	31-Dec-23
Inventory	47,928	52,394
Repossessed collateral	83,429	144,183
Trade receivables	223,639	38,653
Bank Guarantee Paid	-	53,788
Other assets	5,702	14,104
Total	**360,698**	**303,122**

NOTE 16 Loans and borrowings

	31-Dec-24	31-Dec-23
Loans from other related parties	453,729	478,910
Loans from others	12,063,815	13,451,762
Interest payable	116,439	125,868
Total	**12,633,983**	**14,056,540**

The Company takes loans from other related parties and from other physical and legal persons. Loans are taken in US Dollars mainly at 6%-14% annual interest, but in rare cases loans may bear 2% or 15% annual. According to loan agreements interest rates are fixed and are not tied to market interest rate changes. Contractual terms of all loans varies from 1 to 2 year, although it's possible to lengthen agreement duration based on negotiation between parties.

Breakdown of Loans and Borrowings by term

	31-Dec-24	31-Dec-23
Up to 1 Year	7,508,874	9,620,874
1 to 3 Years	5,008,670	4,309,798
Loans and Borrowings	**12,517,544**	**13,930,672**

The next tables show change in loans and borrowings principal during the period:

Year 2024	**Companies**	**Individuals**	**Total**
As at 31-Dec-2023	**5,363,375**	**8,567,297**	**13,930,672**
Additions	137,716,261	7,308,027	145,024,288
Principal paid	(140,868,956)	(5,975,696)	(146,844,652)
FX difference	148,485	258,751	407,236
As at 31-Dec-2024	**2,359,165**	**10,158,379**	**12,517,544**

Year 2023	**Companies**	**Individuals**	**Total**
As at 31-Dec-2022	**2,270,666**	**7,213,358**	**9,484,024**
Additions	15,396,927	5,779,099	21,176,026
Principal paid	(12,334,224)	(4,470,346)	(16,804,570)
FX difference	30,006	45,186	75,192
As at 31-Dec-2023	**5,363,375**	**8,567,297**	**13,930,672**

NOTE 17 Tax payable

	31-Dec-24	31-Dec-23
Income tax payable	542,756	-
VAT payable	17,747	12,353
Property tax payable	29,636	28,769
Total	**590,139**	**41,122**

NOTE 18 Other Liabilities

	31-Dec-24	31-Dec-23
Salary payables	238,971	156,385
Trade payables	115,119	107,593
Rent payables	26,340	25,696
Other liabilities	34,667	63,358
Total	**415,097**	**353,031**

NOTE 19 Share capital

JSC MFI IntelExpress's share capital is set in GEL according to the company charter. Total authorised share capital of JSC MFI IntelExpress as at December 31, 2024 is 50,000 ordinary shares and 200 preferred shares, with nominal value of each share of GEL 100 and GEL 1,000, respectively. Holders of the Common shares are entitled to receive dividends in proportion to the number of their respective shares, out of funds legally available under Georgian law. The Common shares bear have voting rights at the general meetings contrasting preferred shares.

The Company`s share capital as at December 31, 2023 consists of :

Autorised share capital	31-Dec-24		31-Dec-23	
	Number of shares	**Autorised share capital**	**Number of shares**	**Autorised share capital**
Ordinary shares	50,000	5,000,000	50,000	5,000,000
Preferred shares	200	200,000	200	200,000
Total autorised share capital	**50,200**	**5,200,000**	**50,200**	**5,200,000**

The authorized capital is recognized as share capital in the equity of the Company to the extent that it was actually contributed by the shareholders to the Company. The Company`s share capital at December 31, 2024 consists of :

Share capital	31-Dec-24		31-Dec-23	
	Number of shares	**Share capital**	**Number of shares**	**Share capital**
Ordinary shares fully paid	50,000	5,000,000	50,000	5,000,000
Preferred shares fully paid	200	200,000	200	200,000
Treasury shares (preferred shares)	(100)	(100,000)	(100)	(100,000)
Total share capital	**50,100**	**5,100,000**	**50,100**	**5,100,000**

Dividends

During 2024, the company declared an aggregate dividend of GEL 1,620,049 (2023: GEL 1,955,501), representing GEL 39 per ordinary share and GEL 55 per preferred share (2023: GEL 55 per ordinary share and GEL 55 per preferred share), which was fully paid to shareholders of ordinary and preferred shares.

NOTE 20 Interest income

	Year 2024	Year 2023
Interest income from loans to customers	4,858,120	4,073,932
Interest received from bank deposits	43,447	39,110
Total interest income	**4,901,567**	**4,113,042**

NOTE 21 Interest expense

	Year 2024	Year 2023
Interest expense on borrowings	977,822	843,789
Interest expense on bank guarantees	13,452	11,168
Interest expense on lease liabilities	54,766	65,193
Total interest expense	**1,046,041**	**920,150**

NOTE 22 Fee and commission income, NET

	Year 2024	Year 2023
Fee and commission income	14,834,969	12,418,218
Fee and commission expense	(9,043,756)	(8,403,757)
Total fee and commission income, NET	**5,791,213**	**4,014,461**

Fee and commission income and expenses include commission amounts accrued on transactions with money transfer companies.

NOTE 23 Profit on currency trade operations

	Year 2024	Year 2023
Profit from currency trade operations	7,116,249	8,692,337
Loss from currency trade operations	(2,369,195)	(2,601,997)
Total profit on currency trade operations	**4,747,054**	**6,090,340**

NOTE 24 Income from fines

Income from fines consist of penalties accrued and received for overdue loans, as well as the amounts accrued for prepayments of loan principal. The total amount of income from fines in 2024 is GEL 316,598 (2023: GEL 315,193).

NOTE 25 Other income

	Year 2024	Year 2023
Income from previously written-off loans	245,498	51,069
Rent income	40,898	40,049
Other income	19.340	75.740
Total other income	**305,736**	**166,858**

NOTE 26 Operating and administrative expenses

	Year 2024	Year 2023
Personnel expenses	6,982,543	6,341,601
Depreciation and amortization	749,390	827,742
Office expenses (rent, supplies etc.)	613,377	586,462
Communication expenses	692,576	552,580
Operating tax expenses	464,799	532,529
MasterCard expenses	438,304	379,193
Bank fees	422,441	327,994
Business trips and representation expenses	297,552	277,023
Pawn service fee	229,879	195,768
Storage cost of precious metals	144,403	158,643
Advertisement	118,408	112,095
Legal and consulting expenses	83,893	83,475
Vehicle rent and running expenses	93,248	82,518
Security service fees	61,430	63,531
Cost of database usage	37,863	23,032
Other general expenses	123,415	108,672
Total	**11,553,521**	**10,652,858**

NOTE 27 Foreign exchange loss

	Year 2024	Year 2023
Foreign exchange gain	3,225,635	2,591,828
Foreign exchange loss	(3,603,189)	(2,356,074)
Net foreign exchange gain / (loss)	**(377,555)**	**235,754**

NOTE 28 Financial risks management

28.1 Foreign exchange risk

Foreign currency risk is the risk that fluctuations in currency exchange rates will negatively affect the Company's financial position and its profitability. Foreign currency risk arises from assets and liabilities denominated in foreign currencies.

The Company has significant foreign currency denominated financial assets and liabilities. Therefore the effect of foreign currency rate changes may be significant for the Company.

The management controls the exchange risk by matching the currencies of the Company's financial assets and financial liabilities.

Included in the next tables are the Company's financial assets and financial liabilities at carrying amounts, categorised by currency (presented in GEL equivalents). Investments in non-monetary assets are not considered to give rise to any currency risks.

As at December 31, 2024	GEL	USD	EUR	Other Currencies	TOTAL
Financial assets					
Cash and cash equivalents	3,611,371	6,579,586	10,780,135	2,732,443	**23,703,535**
Receivables from money transfer companies	123,452	1,969,048	7,024,451	1,586,746	**10,703,697**
Loans to customers	27,099,815	196,919	1,605,545	-	**28,902,280**
Other assets (Except non-financial assets)	223,359	5,982	-	-	**229,342**
Total	**31,057,998**	**8,751,535**	**19,410,131**	**4,319,189**	**63,538,853**
Financial liabilities					
Loans and borrowings	4,321,491	7,853,178	459,314	-	**12,633,983**
Payables from money transfer companies	1,379,317	13,193,207	19,959,622	1,840,304	**36,372,449**
Lease liabilities	61,062	809,738	-	-	**870,800**
Other liabilities (Except non-financial liabilities)	358,740	23,059	32,282	1,019	**415,099**
Total	**6,120,609**	**21,879,182**	**20,451,218**	**1,841,322**	**50,292,331**
Net Currency Position	**24,937,389**	**(13,127,646)**	**(1,041,087)**	**2,477,867**	

As at December 31, 2023	GEL	USD	EUR	Other Currencies	TOTAL
Financial assets					
Cash and cash equivalents	3,627,017	10,067,688	14,056,432	4,200,615	**31,951,752**
Receivables from money transfer companies	302,893	3,066,049	6,863,619	4,125,840	**14,358,401**
Loans to customers	21,229,904	137,779	655,395	-	**22,023,078**
Other assets (Except non-financial assets)	50,591	2,164	-	-	**52,755**
Total	**25,210,405**	**13,273,680**	**21,575,446**	**8,326,455**	**68,385,986**
Financial liabilities					
Loans and borrowings	3,034,502	7,413,328	3,608,710	-	**14,056,540**
Payables from money transfer companies	2,376,399	16,110,254	18,591,426	3,520,367	**40,598,446**
Lease liabilities	99,347	507,294	-	-	**606,642**
Other liabilities (Except non-financial liabilities)	289,206	41,378	21,799	648	**353,031**
Total	**5,799,454**	**24,072,254**	**22,221,935**	**3,521,015**	**55,614,659**
Net Currency Position	**19,410,950**	**(10,798,575)**	**(646,489)**	**4,805,440**	

NOTE 28 Financial risks management *(continued)*

28.1 Foreign exchange risk *(continued)*

The table below presents analysis of the effect on the Company's income statement of a reasonably possible movement of the currency exchange rate against the GEL, with all other variables held constant. A negative amount in the table reflects a potential net reduction in income statement or equity, while a positive amount reflects a net potential increase. The base currency is assumed to be the GEL.

		Year 2024		Year 2023	
Currency	Change in exchange rate	Impact on profit before tax *	Impact on equity**	Impact on profit before tax *	Impact on equity**
USD	-10%	(1,312,765)	(1,115,850)	(1,079,857)	(917,879)
	-5%	(656,382)	(557,925)	(539,929)	(458,939)
	5%	656,382	557,925	539,929	458,939
	10%	1,312,765	1,115,850	1,079,857	917,879

28.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments on time. Liquidity risk exists when the maturities of assets and liabilities do not match.

The management controls these types of risks by means of maturity analysis, determining the Company's strategy for the next financial period. In order to manage liquidity risk, the Company performs regular monitoring of future expected cash flows, which is a part of assets/liabilities management process.

The following table presents a maturity analysis for non-derivative financial assets and liabilities of the Company with the remaining contractual maturities. The presentation below is based upon the information provided internally to key management personnel of the Company.

December 31, 2024	Up to one year	1 to 3 years	3 to 5 years	More than 5 years	**Total**
Financial assets					
Cash and cash equivalents	23,703,535	-	-	-	**23,703,535**
Receivables from money transfer companies	10,703,697	-	-	-	**10,703,697**
Loans to customers	19,065,317	1,863,717	3,144,589	4,828,657	**28,902,280**
Other assets (Except non-financial assets)	229,342	-	-	-	**229,342**
Total	**53,701,891**	**1,863,717**	**3,144,589**	**4,828,657**	**63,538,854**
Financial liabilities					
Loans and borrowings	7,625,313	5,008,670	-	-	**12,633,983**
Payables from money transfer companies	36,372,449	-	-	-	**36,372,449**
Lease liabilities	388,677	442,544	25,696	13,883	**870,800**
Other liabilities (Except non-financial liabilities)	415,099	-	-	-	**415,099**
Total	**44,801,539**	**5,451,214**	**25,696**	**13,883**	**50,292,332**
Liquidity gap	**8,900,352**	**(3,587,497)**	**3,118,893**	**4,814,774**	**13,246,522**
Cumulative liquidity gap	**9,566,896**	**7,744,342**	**9,655,922**	**12,771,326**	

NOTE 28 Financial risks management *(continued)*

December 31, 2023	Up to one year	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial assets					
Cash and cash equivalents	-	-	-	-	**-**
Receivables from money transfer companies	48,129,361	1,962,535	1,450,834	4,141,323	**55,684,053**
Loans to customers	-	-	-	-	**-**
Other assets (Except non-financial assets)	-	-	-	-	**-**
Total	**48,129,361**	**1,962,535**	**1,450,834**	**4,141,323**	**55,684,053**
Financial liabilities					
Loans and borrowings	-	-	-	-	**-**
Payables from money transfer companies	40,299,907	-	-	-	**40,299,907**
Lease liabilities	-	-	-	-	**-**
Other liabilities (Except non-financial liabilities)	7,829,454	-	-	-	**7,829,454**
Total	**48,129,361**	**-**	**-**	**-**	**48,129,361**
Liquidity gap	**-**	**1,962,535**	**1,450,834**	**4,141,323**	**7,554,692**
Cumulative liquidity gap	**-**	**-**	**-**	**-**	

28.2 Liquidity risk *(continued)*

28.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's operational income and cash flows substantially do not depend on the market interest rate changes, because though the Company has significant interest-bearing assets and liabilities all those instruments have fixed interest rates with no linkage to market interest rate fluctuations.

28.4 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, loans and receivables. The Company's maximum exposure to credit risk at the reporting date was:

	31-Dec-24	31-Dec-23
Cash and cash equivalents (Cash in bank)	14,950,396	21,986,439
Receivables from money transfer companies	10,703,697	14,358,401
Loans to customers	28,902,280	22,023,078
Total	**54,556,373**	**58,367,918**

The Company's cash is placed with highly reliable financial institutions and the management is convinced there is no credit risk related to its cash and cash equivalent balances.

Loans to customers is actually the only item giving rise to the credit risk for the Company. The Company manages this risk by obtaining collaterals for all loans issued and keeping the loan to collateral ratio sufficiently high to cover all possible risk of losses.

Receivables from money transfer companies are settled shortly after the reporting date. Hence, due to short-term nature of these receivables no ECL allowance is recognised as at December 31, 2024 and 2023.

NOTE 28 Financial risks management *(continued)*

28.4 Credit risk *(continued)*

The Company has policies and procedures for the management of credit exposures, including the establishment of a Credit Committees for analysing the information in the loan applications, assessing and reducing the credit risks. The credit policy is reviewed and approved by the Supervisory Board.

In addition, the Company creates an impairment allowance for its loans issued and hence, the maximum exposure to credit risk is reflected in the carrying amounts of loans issued in the statement of financial position. The Company uses a "three-stage" model for impairment based on changes in credit quality since initial recognition. The following diagram summarises the impairment approach of the Company:

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
Expected credit loss for 12 month	Lifetime expected credit losses	Lifetime expected credit losses

Additional information about credit risk and impairment of loans issued is disclosed in Note 5.

NOTE 29 Financial assets and liabilities

29.1 Accounting classifications and fair values

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or transfer of liabilities.

The estimated fair values of all financial instruments approximate their carrying values. The estimated fair values of all financial assets and liabilities are calculated using discounted cash flow techniques based on estimated future cash flows and discount rates for similar instruments at the reporting date. The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation.

29.2 Fair value hierarchy

The Company measures fair values using the following fair value hierarchy:

Level 1 Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2 Inputs other than quotes prices included within Level 1 that are observable either directly (i.e, as prices) or indirectly (i.e, derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 Inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

NOTE 30 Capital adequacy

The National Bank of Georgia sets capital adequacy requirements for micro financial organizations. As required by the NBG, minimum amount of share capital for micro financial organization must be GEL 1,000,000 fully paid in cash. As at December 31, 2023 paid in capital of JSC MFI IntelExpress is GEL 5,100,000; so the Company satisfies the minimum capital requirement.

NOTE 31 Related parties

Parties are generally considered to be related if one party has the ability to control the other party or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The details of the related party balances as at the reporting date and of transactions with them are provided in the next tables:

Balances with related parties as at 31-Dec-2024				Loans and Borrowings	Loans issued	Other assets
Shareholders				-	-	-
Key management personnel				-	524	-
Other related parties				261,492	40,063	1,411
Total for the year	**-**	**-**	**-**	**261,492**	**40,587**	**1,411**

Transactions with related parties during the year 2024		Interest Expense	Borrowings paid	Interest paid	Interest revenue	Salary expenses	Pawn services fees
Shareholders		-	-	5,429	6,030	120,505	-
Key management personnel		-	-	1,755	5,523	225,472	229,879
Other related parties		19,713	5,817,486	-	-	-	-
Total for the year	**-**	**19,713**	**5,817,486**	**7,184**	**11,553**	**345,977**	**229,879**

Balances with related parties as at 31-Dec-2023	Salary Payable	Loans and Borrowings	Lease liabilities	Loans issued	Other assets	Other Liabilities
Shareholders	-	-	-	-	-	-
Key management personnel	-	-	-	221,793	-	-
Other related parties	-	714,479	179,500	92,117	42,906	39,518
Total for the year	**-**	**714,479**	**179,500**	**313,910**	**42,906**	**39,518**

Transactions with related parties during the year 2023	Interest Expense	Borrowings paid	Interest paid	Interest revenue	Salary expenses	Other Expenses	Pawn services fees
Shareholders	-	-	-	-	-	36,797	-
Key management personnel	-	-	247	179,155	33,603	195,000	-
Other related parties	-	-	22,702	4,660,705	23,790	240,306	577,237
Total for the year	**-**	**-**	**22,949**	**4,839,860**	**57,393**	**472,103**	**577,237**

NOTE 32 Contingencies

32.1 Legal proceedings

In the normal course of business the Company is sometimes involved in the legal proceedings with clients who have violated terms of the loan agreement. At the balance sheet date Company management is not aware of any active, suspended legal proceeding having the risk of dispute in the court against the Company that could materially affect the Company's financial position as at reporting date.

NOTE 33 Going concern considerations

At the end of reporting period, management of the Company considers the Company's ability to continue as a going concern, in order to ensure that presentation of financial statements based on a going concern assumption is relevant in the circumstances. The management is convinced that the Company's functionality as going concern is not threatened and they don't have any plans for company liquidation or significant restriction of its activity.

NOTE 34 Events after the reporting period

After the balance sheet period, the company declared dividends in amount of GEL 500,000.

There have been no other events after the reporting period which require additional disclosures or adjustments to these financial statements.

*****