

Financial Statements and Independent Auditor's Report

Green Insurance Georgia JSC

31 December 2025



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Independent auditor's report

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To the shareholders of Green Insurance Georgia JSC

Opinion

We have audited the financial statements of Green Insurance Georgia JSC (the “Company”), which comprise the statement of financial position as of 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *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 (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in the Georgia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management report

Management is responsible for the Management Reporting. The Management Reporting, which was prepared only in Georgian language by the management and comprises the information about the activities of the Company, risk analysis, future plans and other matters as required by the Law of Georgia on Accounting, Reporting and Auditing

In connection with our audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the Management Report is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

In addition, we are required by the Law of Georgia on Accounting, Reporting and auditing to express an opinion whether certain parts of the Management Report comply with respective regulatory normative acts and to consider whether the Management Report includes the information required by the Law of Georgia on Accounting, Reporting and Auditing.

Based on the work performed in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report includes the information required by the Law of Georgia on Accounting, Reporting and Auditing and complies with respective regulatory normative acts.

Statement of financial position

In thousand Georgian lari

	Notes	31 December 2025	31 December 2024
Assets			
Cash and cash equivalents	6	6,515	3,490
Deposits in banks	7	11,744	13,415
Insurance contract assets	8	302	109
Reinsurance contract assets	8	97	223
Prepayment		38	-
Borrowings issued	9	1,930	1,873
Tax advances		16	20
Property and equipment		32	37
Intangible assets		27	29
Right-of-use asset	10	61	143
Total assets		20,762	19,339
Equity and Liabilities			
Equity			
Share capital	11	10,051	10,051
Share premium	11	51	51
Retained earnings		9,602	7,403
Total equity		19,704	17,505
Liabilities			
Insurance contract liabilities	8	592	862
Lease liability	12	65	145
Accounts payable	13	401	827
Total liabilities		1,058	1,834
Total liabilities and equity		20,762	19,339

The financial statements were approved on 06 April 2026 by:

Rusudan Rukhadze

General director

Levan Eliauri

Financial director

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 35.

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Statement of profit or loss and other comprehensive income

In thousand Georgian lari	Notes	2025	2024
Insurance revenue	14	3,780	3,826
Insurance service expense	15	(586)	(653)
Expenses from reinsurance contracts held, net	16	(340)	(372)
Insurance service result		2,854	2,801
Interest income, net	17	1,593	1,367
Other income		3	14
General and administrative expenses	18	(1,724)	(1,539)
Other expenses		(46)	(16)
Net foreign exchange gain (loss)	19	(481)	479
Profit for the year before tax		2,199	3,106
Income tax expense		-	-
Profit for the year		2,199	3,106
Other comprehensive income		-	-
Total comprehensive income for the year		2,199	3,106

The statement of profit or loss and other comprehensive is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 35.

Statement of changes in equity

In thousand Georgian lari

	Share Capital	Additional paid-in capital	Retained earnings	Total
Balance as of 1 January 2024	10,051	51	4,297	14,399
Profit for the year	-	-	3,106	3,106
<i>Other comprehensive income:</i>	-	-	-	-
Total comprehensive income for the year	-	-	3,106	3,106
Balance as of 31 December 2024	10,051	51	7,403	17,505
Profit for the year	-	-	2,199	2,199
<i>Other comprehensive income:</i>	-	-	-	-
Total comprehensive income for the year	-	-	2,199	2,199
Balance as of 31 December 2025	10,051	51	9,602	19,704

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 35.

Statement of cash flows

In thousand Georgian lari

	Notes	2025	2024
Cash flows from operating activities			
Insurance premiums received	8	2,962	3,237
Received subrogation amounts	8	42	31
Other operating income		(300)	(3)
Claims paid	8	(634)	(185)
Reinsurance commission cash flow	8	(213)	(377)
Acquisition costs paid	8	(200)	(176)
Salaries and benefits paid		(796)	(694)
Operating taxes paid		(302)	(556)
Administrative and other expenses paid		(174)	(222)
Interest received		149	209
Net cash flows from operating activities		534	1,264
Cash flow from investing activities			
Placements of bank deposits		29,395	214
Withdrawals of bank deposits		(27,150)	(800)
Loan issued		(1,000)	-
Receipt of issued loan		1,333	465
Net cash (used in)/from investing activities		2,578	(121)
Cash flow from financing activities			
Payment lease liability	12	(72)	(62)
Net cash used in financing activities		(72)	(62)
Exchange rate difference effect on cash and cash equivalents	19	(15)	-
Net change in cash and cash equivalents		3,040	1,081
Cash and cash equivalents at the beginning of the year		3,490	2,409
Cash and cash equivalents at the end of the year		6,515	3,490

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 35.

Notes to the financial statements

Green Insurance Georgia JSC

For the year ended 31 December 2025 (expressed in thousand Georgian lari (GEL))

1 Principal activities

Green Insurance Georgia JSC (the “Company”) was founded and registered in Georgia on May 13, 2013. The Company carries out insurance activity and provides motor own damage insurance, accident insurance, property insurance, liability and other types of insurance.

The company is a joint stock company, until December 7, 2015, it was a limited liability company. The company operates in accordance with the legislation of Georgia. The legal and factual address of the company is Ana Kalandadze Street # 4, Tbilisi, Georgia.

As of December 31, 2025, the number of shares by classes is as follows: Class A - 4,350,000 pieces, Class AA - 1,650,000 pieces, Class B - 4,051,059 pieces. The nominal value of all classes of shares is 1 (one) GEL.

As of December 31, 2025, the owners of A and AA class shares of the company were: JSC Metro Avrasya Investment Georgia - 100%, and the owners of B class shares: JSC Metro Avrasya Investment – 93.061%, JSC Metro Atlas Georgia - 4.443%, JSC Metro Construction - 2.468% and other owners - 0.028%.

The insurance license was given to the Company on October 11, 2013, license certificate #NL013, issued by LEPL Insurance State Supervision Service of Georgia. In accordance with Order №05/4 of the Head of Insurance State Supervision Service of Georgia the Company has been granted life insurance license on 2 November 2020.

The governing body of the Company is the supervisory board and the general assembly. Day to day activities of the Company are managed by general director of the Company. As at the year end 2025 general director of the company is Rusudan Rukhadze and as at the years end 2024 general director of the company was Eka Tsenteradze.

The ultimate controlling party of the company is Ayten Ozturk Unal, Turkish Citizen.

2 Business environment

The continuous Russian Ukrainian war since February 2022 has had a significant impact on both the conflicting countries and on the world economy. Many leading countries and economic unions have announced severe economic sanctions against Russia, including Russian banks, Russian national reinsurance company, other organizations and individuals. The war is still ongoing, but it has already led to a humanitarian crisis and huge economic losses in Ukraine, Russia and other countries.

Since the hostilities have not yet stopped, it is impossible to reliably assess its final impact on both Georgia's business environment and the company's operations.

The Company's management constantly analyses the economic situation in the current environment. The future economic and political situation and its impact on the Company's operations may differ from the management's current expectations.

3 Basis of preparation

3.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as developed and published by the International Accounting Standards Board (IASB), and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

3.2 Basis of measurement

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

3.3 Functional and presentation currency

Functional currency of the Company is the currency of the primary economic environment in which the Company operates. The Company’s functional currency is Georgian lari (“GEL”), which may not be freely convertible in most countries outside Georgia. The financial statements are presented in thousands of GEL, unless otherwise stated.

3.4 New or revised standards

In the current year the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the “IASB”) and International Financial Reporting Interpretations Committee (the “IFRIC”) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2025. The nature and the effect of these changes are disclosed below.

New and revised standards and interpretations that are effective for annual periods beginning on or after 1 January 2025

New standards and amendments described below and applied for the first time in 2025 did not have a material impact on the annual financial statements of the Company:

- Lack of Exchangeability (Amendments to IAS 21)

3.5 Standards and interpretations not yet applied by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to the existing Standards have been published but are not yet effective. The Company has not early adopted any of these pronouncements.

Management anticipates that all of the pronouncements will be adopted in the Company’s accounting policy for the first period beginning after the effective date of the pronouncement.

Management does not anticipate a material impact on the Company’s financial statements from these Standards and Amendments, they are presented below.

- “Classification and Measurement of Financial Instruments” (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’
- Amendments to IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’

4 Summary of material accounting policies

The following material accounting policies have been applied in the preparation of the financial statements. The accounting policies have been consistently applied.

4.1 Insurance and reinsurance contracts

4.1.1. Classification

Insurance contracts are those contracts under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Insurance risk is significant if, and only if, an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance. Insurance contracts can also transfer financial risk. Financial risk is the risk of a possible future change in specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Company does not issue reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Company does not issue any contracts with direct participating features.

Once the contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

4.1.2. Separating components from insurance and reinsurance contracts

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

4.1.3. Level of aggregation

The level of aggregation for the Company insurance and reinsurance products is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. No group for level of aggregation purposes may contain contracts issued more than one year apart. The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any),
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any),
- A group of the remaining contracts in the portfolio (if any)

The Company has identified the following portfolios of insurance contracts:

- Motor Third party liability (Compulsory)
- Motor insurance

- Guarantees related to state procurement and other liabilities
- Construction risk insurance
- MTPL
- Cargo insurance
- Property insurance
- Machinery insurance
- Professional indemnity insurance
- Land carrier liability insurance
- Travel insurance
- Other types of liability insurance

The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information,
- Results of similar contracts it has recognised,
- Environmental factors, e.g., a change in market experience or regulations.

The Company divides portfolios of reinsurance contracts held applying the same principles set out above.

4.1.4. Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts,
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date,
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

4.1.5. Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

4.1.6. Measurement

Insurance contracts – initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary, or
- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

Coverage period for all types of insurance (except for Guarantee related state procurement and Construction risk) and reinsurance contracts assumed is one year or less and so qualifies automatically for PAA. Both *Guarantee related state procurement and other liability* insurance and *Construction risk* insurance include contracts with coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA as well.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition,
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and,

- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

For all business, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

Reinsurance contracts held – initial measurement

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Insurance contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period,
- Minus insurance acquisition cash flows, with the exception of insurance product line for which the Company chooses to expense insurance acquisition cash flows as they occur,
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group,
- Plus any adjustment to the financing component, where applicable,
- Minus the amount recognised as insurance revenue for the services provided in the period,
- Minus any investment component paid or transferred to the liability for incurred claims.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows

Reinsurance contracts held - subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

4.1.7. Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts,
- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

4.1.8. Modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired), or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

4.1.9. Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

4.1.10. Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

4.1.11. Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They comprise the following items:

- Incurred claims and other insurance service expenses,
- Amortisation of insurance acquisition cash flows: the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts,
- Income received from the subrogation

4.1.12. Net expense from reinsurance contracts held

Net expenses from reinsurance contracts held comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers. The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts.

4.2 Financial instruments

IFRS 9 sets our requirements for recognition and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 financial instruments: Recognition and measurement.

Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

IFRS 9 has not had a significant effect on the Company's accounting policies for financial assets or liabilities.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The company has determined that the application of IFRS 9's impairment requirements at 1 January 2022 and 31 December 2022 had no effect on statement of financial position and statement of profit or loss.

4.3 Offsetting

Financial assets and liabilities, and income and expenses, are offset and the net amount reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

4.4 Foreign currencies

In preparing the financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the National Bank of Georgia prevailing on the dates of the transactions.

At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates defined by the National Bank of Georgia prevailing on the reporting date.

The exchange rates at year-end used by the company in the preparation of the financial statements are as follows:

	31 December 2025	31 December 2024
GEL/1 USD	2.6951	2.8068
GEL/1 EUR	3.1737	2.9306

Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date), except for non-monetary items carried at fair value that are denominated in foreign currencies which are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement and retranslation of monetary items are included in profit or loss for the period

4.5 Taxation

Corporate income tax rules applicable before 1 January 2024

Income tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statement of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the statement of financial position and the corresponding tax base. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that the Company considers that it is probable (i.e., more likely than not) that there will be sufficient taxable profits available for the asset to be utilized within the same tax jurisdiction. Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Company's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity respectively. Income tax rate is 15%.

Changes in corporate income tax effective from 1 January, 2024

Effective January 1, 2024, there are significant amendments to the Corporate Income Tax rules applicable to insurance companies in accordance with Tax Code of Georgia. Changes relate to introduction of new model for corporate income taxation, which was effectively enacted for other types of entities (entities outside the financial services sector) since 1 January 2017 in Georgia.

The new model implies zero corporate tax rate on retained earnings and a 15% corporate tax rate on distributed earnings, compared to the previous model of 15% tax rate charged to the company's profit before tax, regardless of profit retention or distribution. As a result of changes, starting 1 January, 2024 insurance companies (like companies in other sectors) will pay corporate income tax on profit distribution (dividends) and on individual transactions that may be considered as indirect distribution of profits (benefits, gifts, payments and expenses not related to economic activities, etc). In the case of profit distribution, the tax rate is 15/85.

According to the amended concept of corporate income taxation, there will be no temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Therefore, deferred tax assets and liabilities, as defined in IAS 12 *Income Taxes*, cannot be formed subsequent to 1 January 2024.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances on banks accounts which can be converted into cash at short notice, including highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortised cost.

4.7 Borrowings issued

Borrowings issued are financial assets with fixed or determinable payments, which arise when the Company provides money directly to a debtor with no intention of trading the receivable.

4.8 Impairment of non-financial assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an Impairment loss, if there is an indication of possible impairment and the estimate recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. Recoverable amount is higher of fair value less costs to sell and value in use.

4.9 Leases

The Company as a lessee

For any new contracts entered on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company measures the right-of-use asset at cost. The cost of right-of-use asset is made up initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, to restore the place where the asset is located, or to restore the lease asset to a condition required by the terms of the lease, unless those costs are incurred to produce the inventories. The lessee's liability for such expenses arises either at the effective date of the lease term or because of the use of the leased asset for a specified period.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

After initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets can be included in property, plant and equipment or presented separately and lease liabilities can be included in trade and other payables or presented as a separate liability.

4.10 Equity

Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

Retained earnings

Include accumulated earnings of current and previous periods.

Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the financial statements are authorised for issue.

5 Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

5.1 Judgements

Level of aggregation of insurance and reinsurance contracts

The Company identifies portfolios of contracts and determines groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Measurement of insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Insurance acquisition cash flows

The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period.

5.2 Assumptions and estimations uncertainty

Liability for remaining coverage

The Insurance acquisition cash flows and amortization of insurance acquisition cash flow included in liability for remaining coverage.

At the end of each reporting period, the Company revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by claims loss ratio method.

The main assumption underlying this technique is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Discount rates

Measurement of liability for incurred claims and liability for remaining coverage do not include discounting for time value of money and the effect of financial risk as the premium due date and the related period of service are less than 12 months apart.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk. Risk adjustment for non-financial risk reflect the diversification benefits from contract issued by the entity, in a way that is consistent with the compensation that it would require.

The Company has estimated the risk adjustment using VaR (value at risk) approach at 95th percentile.

Sensitivity analysis shows that 4% increase in confidence interval would increase the risk adjustment for non-financial risk by GEL 16 thousand. The 5% decrease in confidence interval would decrease the risk adjustment by GEL 9 thousand. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

6 Cash and cash equivalents

	31 December 2025	31 December 2024
Cash at bank in foreign currency	5,294	45
Cash at bank in national currency	1,221	3,445
Total cash and cash equivalents	6,515	3,490

Cash and cash equivalents in banks are classified as non-risky, given the fact that the banks where the company has cash and cash equivalents are trustworthy.

7 Deposits in banks

Amounts due from credit institutions for the year ended December 31, 2025, is presented as follows:

	Deposit	Interest	Total
Deposits In USD	6,926	167	7,093
Deposits in GEL	4,436	215	4,651
	11,362	382	11,744

Amounts due from credit institutions for the year ended December 31, 2024, is presented as follows:

	Deposit	Interest	Total
Deposits In USD	11,030	179	11,209
Deposits in GEL	2,036	170	2,206
	13,066	349	13,415

Bank deposits are presented in short-term (from three months to one year) and medium-term placements in Georgian banks, with an annual interest rate of 5% to 13% (2024: from 2.2% to 13%). Information on the amount of accrued interest is provided in Note 17. Funds placed in banks are classified as non-risky, given the fact that the banks where the company has deposits are trustworthy.

8 Insurance and reinsurance contract assets and liabilities

8.1 Insurance contract asset and liability

The breakdown of portfolios of insurance contracts, that are in an asset position and those in a liability position is set out in the table below:

	2025			2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
<i>Insurance contracts issued</i>						
Motor Third party liability (Compulsory)	-	(136)	(136)	-	(165)	(165)
Motor insurance	298	(8)	290	100	(85)	15
Guarantees related to state procurement and other liabilities	-	(111)	(111)	-	(300)	(300)
Construction risk insurance	-	-	-	-	(46)	(46)

	2025			2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
MTPL	-	(38)	(38)	-	(34)	(34)
Cargo insurance	4	(12)	(8)	4	(13)	(9)
Property insurance	-	(41)	(41)	1	(3)	(2)
Machinery insurance	-	-	-	4	(1)	3
Professional Indemnity Insurance	-	(38)	(38)	-	(37)	(37)
Land carrier liability insurance	-	(50)	(50)	-	(70)	(70)
Other types of liability insurance	-	(158)	(158)	-	(108)	(108)
Total insurance contracts issued	302	(592)	(290)	109	(862)	(753)

8.1.1 Movements in insurance contracts

Movements in insurance contracts for 2025, is presented as follows:

	2025				Total
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Estimates of the present value of future cash flow	Risk adjustment		
<i>Insurance contract assets as at 01 January</i>					
<i>January</i>	109	-	-		109
Insurance contract liabilities as at 01 January	(294)	(515)	(53)		(862)
Net insurance contract (assets)/liabilities as of 01 January	(185)	(515)	(53)		(753)
Insurance revenue	3,780	-	-		3,780
Incurred claims and other expenses	-	(388)	-		(388)
Amortisation of insurance acquisition cash flows	(215)	-	-		(215)
Changes that relate to the past service - Risk adjustment	-	-	17		17
Risk adjustment	-	-	-		-
Currency and other changes	(652)	91	-		(561)
Total	2,728	(812)	(36)		1,880
Cash flows					
Premiums received	(2,962)	-	-		(2,962)
Claims and other expenses paid	-	592	-		592
Insurance acquisition cash flows	200	-	-		200
Total cash flows	(2,762)	592	-		(2,170)
Net insurance contract liabilities at 31 December	(34)	(220)	(36)		(290)

	2025				Total
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Estimates of the present value of future cash flow	Risk adjustment		
Insurance contract assets as of 31 December	302	-	-		302
Insurance contract liabilities as of 31 December	(336)	(220)	(36)		(592)

Movements in insurance contracts for 2024, is presented as follows:

	2024				Total
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Estimates of the present value of future cash flow	Risk adjustment		
<i>Insurance contract assets as at 01 January</i>	86	-	-		86
Insurance contract liabilities as at 01 January	(412)	(474)	(41)		(927)
Net insurance contract (assets)/liabilities as of 01 January	(326)	(474)	(41)		(841)
Insurance revenue	3,826	-	-		3,826
Incurred claims and other expenses	-	(491)	-		(491)
Amortisation of insurance acquisition cash flows	(150)	-	-		(150)
Changes that relate to the past service - Risk adjustment	-	-	4		4
Risk adjustment	-	-	(16)		(16)
Currency and other changes	(474)	296	-		(178)
Total	2,876	(669)	(53)		2,154
Cash flows					
Premiums received	(3,237)	-	-		(3,237)
Claims and other expenses paid	-	154	-		154
Insurance acquisition cash flows	176	-	-		176
Total cash flows	(3,061)	154	-		(2,907)
Net insurance contract liabilities at 31 December	(185)	(515)	(53)		(753)
Insurance contract assets as of 31 December	109	-	-		109
Insurance contract liabilities as of 31 December	(294)	(515)	(53)		(862)

8.2 Reinsurance contract asset and liability

The breakdown of portfolios of reinsurance contracts, that are in an asset position and those in a liability position is set out in the table below:

	2025			2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
<i>Reinsurance contracts</i>						
Motor insurance	7	-	7	52	-	52
Construction risk insurance	31	-	31	31	-	31
MTPL	3	-	3	10	-	10
Cargo insurance	1	-	1	3	-	3
Property insurance	4	-	4	10	-	10
Machinery insurance	-	-	-	32	-	32
Professional Indemnity Insurance	31	-	31	4	-	4
Travel insurance	-	-	-	19	-	19
Other types of liability insurance	20	-	20	62	-	62
Total reinsurance contracts	97	-	97	223	-	223

8.2.1 Movements in reinsurance contracts

Movement in reinsurance contracts for 2025, is presented as follows:

	2025				Total
	Liability for remaining coverage	Assets for incurred claims			
	Excluding loss component	Estimates of the present value of future cash flow	Risk adjustment		
Reinsurance contract assets as at 01 January	162	61	-		223
Reinsurance contract liabilities as at 01 January	-	-	-		-
Net reinsurance contract (assets)/liabilities as of 01 January	162	61	-		223
Premiums ceded to reinsurers	(584)	-	-		(584)
Amortisation of Reinsurance Commission cash flows	185	-	-		185
Currency and other changes	72	(71)	-		1
Reinsurers share in claims paid	-	59	-		59
Total	(165)	49	-		(116)
Cash flows					
Reinsurance Commission cash flows	213	-	-		213
Total cash flows	213	-	-		213

	2025				Total
	Liability for remaining coverage	Assets for incurred claims			
		Excluding loss component	Estimates of the present value of future cash flow	Risk adjustment	
Net reinsurance contract (assets)/liabilities as of 31 December	48	49	-	97	
Reinsurance contract assets as of 31 December	48	49	-	97	
Reinsurance contract liabilities as of 31 December	-	-	-	-	

Movement in reinsurance contracts for 2024, is presented as follows:

	2024				Total
	Liability for remaining coverage	Assets for incurred claims			
		Excluding loss component	Estimates of the present value of future cash flow	Risk adjustment	
Reinsurance contract assets as at 01 January	124	100	-	224	
Reinsurance contract liabilities as at 01 January	-	-	-	-	
Net reinsurance contract (assets)/liabilities as of 01 January	124	100	-	224	
Premiums ceded to reinsurers	(646)	-	-	(646)	
Amortisation of Reinsurance Commission cash flows	182	-	-	182	
Currency and other changes	125	(131)	-	(6)	
Reinsurers share in claims paid	-	92	-	92	
Total	(215)	61	-	(154)	
Cash flows					
Reinsurance Commission cash flows	377	-	-	377	
Total cash flows	377	-	-	377	
Net reinsurance contract (assets)/liabilities as of 31 December	162	61	-	223	
Reinsurance contract assets as of 31 December	162	61	-	223	
Reinsurance contract liabilities as of 31 December	-	-	-	-	

9 Borrowings issued

In thousand Georgian lari	Maturity	31 December 2025	31 December 2024
Entity Under common control	30 May 2026	2,025	1,968
		2,025	1,968

In thousand Georgian lari	Maturity	31 December 2025	31 December 2024
Less loss allowance		(95)	(95)
Total borrowings issued		1,930	1,873

On November 30, 2023, the company issued unsecured loan with amount of GEL 2 million to “City Travel Batumi” LLC (Related party company). The loan interest rate determined as 20% per annum and maturity date of the loan May 31, 2024 (6 Months period). On May 29, 2024, the parties entered into an additional agreement regarding the modification of the loan terms. Under this agreement, the loan repayment date was set for May 31, 2025. On May 28, 2025, the parties entered into an additional agreement regarding the modification of the loan terms. Under this agreement, the loan repayment date was set for May 30, 2026.

10 Right-of-use asset

Right of use asset for the year ended December 31, 2025, and 2024 is presented as follows:

	Building
1 January 2024	382
Modification adjustment on IFRS 16	163
31 December 2024	545
31 December 2025	545
Accumulated depreciation and impairment	
1 January 2024	(331)
Charge for the year	(71)
31 December 2024	(402)
Charge for the year	(82)
31 December 2025	(484)
Carrying amount	
1 January 2024	51
31 December 2024	143
31 December 2025	61

11 Share capital

As of December 31, 2025, the Share Capital consists of 4,350,000 shares of Class A (total authorized amount 4,350,000 shares), 1,650,000 shares of Class AA (out of which total authorized amount 1,650,000 shares) and 4,051,059 shares of Class B (total authorized shares 9,000,000). The face value of each is 1 (one) GEL (amount is not given in thousands).

Class A 1 share provides 1 vote. 1 AA Class share provides 15 votes. Class B 1 share provides 1 vote; however, the Class B shareholder does not participate in the process of electing, challenging/dismissing a member of the Supervisory Board.

As of December 31, 2025, the owners of the Company’s Class A and AA shares were: JSC Metro Avrasya Investment Georgia – 4,350,000 Class A (100%) and 1,650,000 class AA (100%), Class B shareholders: JSC Metro Avrasya Investment Georgia – 3,770,000 shares (93.061%), JSC Metro Atlas Georgia – 180,000 shares (4.443%), JSC Metro Construction – 100,000 shares (2.468%) and other owners (0.028%).

The respective shareholdings as of 31 December 2025 and 2024 may be specified as follows:

	31 December 2025	31 December 2024
Metro Avrasya Investment Georgia JSC	97.2%	97.2%
Metro Atlas Georgia JSC	1.8%	1.8%
Metro Construction JSC	1%	1%
Total	100%	100%

Retained earnings are the portion of net income remaining owned by the Company that is not distributed. The company has not announced any dividends for 2025 and 2024.

12 Lease liability

	31 December 2025	31 December 2024
Current	65	80
Non-current	-	65
	65	145

The Company has leases for the Office. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on the statement of financial position:

Right of use asset	Number of leases	Remaining lease period (Months)
Office Building	1	9

Future minimum lease payments at 31 December 2025 and 2024 were as follows:

Right of use asset	Minimum lease payments	
	31 December 2025	31 December 2024
Within one year		
Lease payments	68	90
Finance charges	3	10
	70	100
In second to fifth years inclusive		
Lease payments	-	68
Finance charges	-	3
	-	70
Net present value	70	170

Liquidity risk is the risk that the Company will be unable to meet its obligations. The Company's policy is to run a prudent liquidity management policy by means of holding sufficient cash and bank balances, as well as highly liquid assets for making all operational and debt service-related payments when those become due.

The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	31 December 2025	31 December 2024
Weighted average effective interest rate (%)	7.70%	9.72%
Less than 6 months	45	45

	31 December 2025	31 December 2024
6 months to 1 year	23	45
1-5 years	-	68
	68	158

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	31 December 2025
1 January 2024	53
Modification adjustment on lease liability	165
Interest paid	(5)
Repayments	(73)
Interest accrual	5
31 December 2024	145
Interest paid	(10)
Repayments	(80)
Interest accrual	10
31 December 2025	65

13 Accounts payable

	31 December 2025	31 December 2024
Payables to Principals	333	796
Other payables	68	31
Total accounts payable	401	827

14 Insurance revenue

	2025	2024
Motor Third party liability (Compulsory)	2,362	2,485
Motor insurance	757	760
Guarantees related to state procurement and other liabilities	97	107
Construction risk insurance	44	40
MTPL	66	87
Cargo insurance	-	13
Property insurance	45	47
Machinery insurance	9	18
Professional Indemnity Insurance	15	11
Land carrier liability insurance	-	2
Other types of liability insurance	385	256
Total insurance revenue	3,780	3,826

15 Insurance service expense

	2025	2024
Incurring claims and other directly attributable expenses	388	491
Amortization of insurance acquisition cash flows	215	150
Net change in risk adjustment	(17)	12
Total insurance service expense	586	653

16 Expense from reinsurance contracts held

	2025	2024
Reinsurance expense from the contracts measured under PAA	584	646
Amounts recoverable from reinsurers	(59)	(92)
Reinsurance commission income	(185)	(182)
Net expenses from reinsurance contracts held	340	372

17 Interest income, net

Interest income

	2025	2024
Interest income in GEL	582	456
Interest income in USD	630	518
Interest income from issued loans	390	398
Total interest income	1,602	1,372

Interest expense

	2025	2024
Interest expense from finance lease	9	5
Total interest expense	9	5
Interest income, net	1,593	1,367

18 General and administrative expenses

	2025	2024
Salary and other benefits	1,045	896
Membership fee	376	257
Depreciation and amortization	102	96
Supervisory fee	38	38
Utility costs	25	24
Consulting costs	39	42
Audit Fee	28	28
Communication costs	17	17

	2025	2024
Allowance for impairment	18	95
Other general and administrative expenses	36	46
Total general and administrative expenses	1,724	1,539

19 Net foreign exchange gain / (loss)

	2025	2024
Foreign exchange gain		
Amounts due from banks	371	1,059
Cash and cash equivalents	1	37
Insurance and reinsurance contracts	24	69
Accounts Payable	-	-
	396	1,165
Foreign exchange loss		
Amounts due from banks	(827)	(630)
Cash and cash equivalents	(16)	(8)
Insurance and reinsurance contracts	(34)	(48)
Accounts Payable	-	-
	(877)	(686)
Net foreign exchange gain/(loss)	(481)	479

20 Transactions with related parties

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. For the purpose of the present financial statements, related parties include shareholders, members of Company's Management as well as other persons and enterprises related with and controlled by them respectively. During the reporting year the Company had the following transactions with the related parties and as of the reporting date had the following outstanding balances:

Transactions	2025	2024
Entity under common control		
Insurance revenue	35	21
Insurance service expense	(3)	-

Outstanding balances	31 December 2025	31 December 2024
Entity under common control		
Accounts payable	(2)	-
Borrowings issued	1,930	1,873
Insurance contract asset and liability	(112)	(15)
	1,816	1,858

	31 December 2025	31 December 2024
Top management salary and other benefits	302	145

21 Fair value measurement

The Company provides an analysis of its assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. These Levels are described below:

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

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

21.1 Fair value measurement of financial instruments

Management believes that the fair value of the Company's financial assets approximates their carrying amounts due to short maturities of most of the aforementioned instruments.

22 Insurance and financial risk management

The Company's activities expose it to a variety of risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The most important types of risk are insurance risk and financial risk, which includes liquidity risk, market risk and credit risk.

22.1 Insurance risk

The primary insurance activity carried out by the Company assumes the risk of loss from individuals or organisations that are directly subject to the risk. Such risks may relate to all types of insurance products that may arise from an insurable event. As such the Company is exposed to the uncertainty surrounding the timing and severity of claims under the insurance contract.

Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

Risks under non-life insurance policies usually cover twelve-month duration. For general insurance contracts the most significant risks arise from changes in the relevant legal environment, changes in behaviour of policyholders, natural disasters and terrorist activities.

The Company also has exposure to market risk through its insurance activities. The Company manages its insurance risk through the use of established statistical techniques, reinsurance of risk concentrations, underwriting limits, approval procedures for transactions, pricing guidelines and monitoring of emerging issues.

22.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Maximum credit risk to which is the company is exposed consists of the following:

	31 December 2025	31 December 2024
Cash and cash equivalents	6,515	3,490
Amounts due from credit institutions	11,744	13,415
Borrowings issued	1,930	1,873
	20,189	18,778

22.3 Currency risk

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arises. Most of the Company's transactions are carried out in Georgian lari. Exposure to currency exchange rates arises from the Company's vehicles insurance, bank deposits and lease liability, which are primarily denominated in US dollars. Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated into Georgian lari at the closing rate:

US dollar	31 December 2025	31 December 2024
<i>Financial assets and liabilities</i>		
Amounts due from credit institutions	7,093	11,209
Reinsurance contract asset	97	223
Cash and cash equivalents	5,292	45
	12,482	11,477

The following table details the Group's sensitivity to a 15% (2024: 15%) increase and decrease in Georgian lari against US dollar. 15% (2024: 15%) represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% (2024: 15%) change in foreign currency rates.

If Georgian lari had strengthened against US dollar by 15% (2024: 15%) then this would have had the following impact:

	US dollar impact	
	31 December 2025	31 December 2024
Profit or loss	1,872	1,722

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

22.4 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its obligations. The Company's policy is to run a prudent liquidity management policy by means of holding sufficient cash and bank balances, as well as highly liquid assets for making all operational and debt service-related payments when those become due. The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

In thousand Georgian lari 2025	Less than a year	1 to 5 years	Total
<i>Financial liabilities</i>			
Account payable	401	-	401
Insurance contracts liability	592	-	592
Lease liability	65	-	65
	1,058	-	1,058

In thousand Georgian lari 2024	Less than a year	1 to 5 years	Total
<i>Financial liabilities</i>			
Account payable	827	-	827
Insurance contracts liability	862	-	862
Lease liability	145	-	145
	1,834	-	1,834

23 Capital risk management

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders;
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders;
- To retain financial flexibility by maintaining strong liquidity;
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

The operations of the Company are also subject to local regulatory requirements within the jurisdiction where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions to minimize the risk of default and insolvency on the part of insurance companies to meet unforeseen liabilities as these arise. The Company's capital management policy for its insurance and non-insurance business is to hold sufficient liquid assets to cover statutory requirements based on the ISSSG directives.

Regulatory requirements

The insurance sector in Georgia is regulated by the Insurance State Supervision Service of Georgia (*ISSSG"). The ISSSG imposes minimum capital requirements for insurance companies. These requirements are put in place to ensure sufficient solvency margins.

According to the ISSSG directive Ne27, issued on 25 December 2017, the minimum capital from 31 December 2018 throughout the period should be not less than GEL 4.200 (in thousands) and the Company should, at all times, maintain total of this amount in either cash and cash equivalents or in bank balances. Order of the Head of the State Insurance Supervision Service of Georgia According to No45, the minimum amount of own capital at all stages of the insurance activity must be a) Life insurance: 7,200 GEL - from December 31, 2021; B) Insurance (non-life) except for compulsory liability insurance, liability insurance and credit liability insurance: GEL 4,800 - from 31 December 2021, c) Insurance (non-life) - compulsory liability insurance, liability insurance and liability insurance Including: 7,200 GEL - from December 31, 2021 and d) Reinsurance: 7,200 GEL - from 31 December 2021, The amount should be placed in the form of cash, other cash equivalents and cash placed in banks.

The company makes certain adjustments to the IRS equity in these statements of financial position to arrive to the ISSSG prescribed capital.

The Company manages its capital requirements by preventing shortfalls between reported and required capital levels on a regular basis, in order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid or inject further capital.

The Company followed the externally imposed capital requirements at the end of the reporting period and no changes were made to its objectives, policies and processes from the previous year for managing capital.

The Regulatory Capital is determined based on the IFRS equity, adjusted for, for example, investments in subsidiaries and associates, unsecured loans and borrowings etc. as prescribed by the ISSSG directive Ne16. As at 31 December 2025 and 2024 these financial statements were authorized for issue, the Company was in compliance with the level of Regulatory Capital.

24 Subsequent events

On 20 January 2026, the Supervisory Board of the Company approved the issuance of a loan to “Metro Avrasya Investment Georgia” JSC, the Company’s shareholder holding 97.2037% of the share capital, in the amount of GEL 6,500,000. The loan was disbursed on 22 January 2026.

On 06 February 2026, the Supervisory Board approved a dividend distribution in the amount of GEL 7,403,000, representing 100% of the Company’s audited retained earnings as at 31 December 2024. At the same meeting, it was further resolved that the outstanding loan receivable from “Metro Avrasya Investment Georgia” JSC” would be offset against the dividend payable to that shareholder.