

**“PRIOR CREDIT NON-BANK CREDIT
ORGANIZATION” OPEN JOINT-STOCK
COMPANY**

**The Financial Statements and
Independent Auditors' Report**
For the Year Ended December 31, 2024

"PRIOR CREDIT NON-BANK CREDIT ORGANIZATION" OPEN JOINT-STOCK COMPANY

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION
AND APPROVAL OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The following statement is made with a view to distinguishing respective responsibilities of the management and those of the independent auditors in relation to the financial statements of "Prior Credit Non-Bank Credit Organization" Open Joint-Stock Company (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2024, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IFRS Accounting Standards).

In preparing the financial statements, management is responsible for:

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

Management is also responsible for:

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

The financial statements for the year ended December 31, 2024 were authorized for issue on June 24, 2025, by the Management Board of the Company.

On behalf of the Management Board:

Kifayat Agalarova
General Director

June 24, 2025
Baku, the Republic of Azerbaijan



Shamil Abdurakhmanov
Chief Accountant

June 24, 2025
Baku, the Republic of Azerbaijan

INDEPENDENT AUDITORS' REPORT

To the Shareholder, Supervisory Board and Management of "Prior Credit Non-Bank Credit Organization" Open Joint-Stock Company.

Opinion

We have audited the financial statements of "Prior Credit Non-Bank Credit Organization" Open Joint-Stock Company (the "Company"), which comprise the statement of financial position as at December 31, 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

June 24, 2025

Baku, the Republic of Azerbaijan

“PRIOR CREDIT NON-BANK CREDIT ORGANIZATION” OPEN JOINT-STOCK COMPANY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

(In Azerbaijani manats, unless otherwise indicated)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents	7	60,316	332,858
Loans to customers	8	3,671,228	2,846,975
Property, equipment and intangible assets	9	35,138	60,332
Deferred tax asset	10	68,409	-
Other assets	11	48,235	41,156
TOTAL ASSETS		3,883,326	3,281,321
LIABILITIES			
Borrowings	12	1,347,256	986,188
Amount due to related party	13	77,017	-
Lease liability	14	-	4,024
Other liabilities	15	113,303	62,554
TOTAL LIABILITIES		1,537,576	1,052,766
EQUITY			
Paid-in capital	16	2,100,000	2,100,000
Retained earnings		245,750	128,555
TOTAL EQUITY		2,345,750	2,228,555
TOTAL LIABILITIES AND EQUITY		3,883,326	3,281,321

On behalf of the Management Board:

Kifayat Agalarova
General Director

June 24, 2025
Baku, the Republic of Azerbaijan

Shamil Abdurakhmanov
Chief Accountant

June 24, 2025
Baku, the Republic of Azerbaijan

The notes on pages 9-51 form an integral part of these financial statements.

“PRIOR CREDIT NON-BANK CREDIT ORGANIZATION” OPEN JOINT-STOCK COMPANY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

(In Azerbaijani manats, unless otherwise indicated)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Interest income	17	598,967	540,696
Interest expense	17	<u>(26,039)</u>	<u>(19,352)</u>
Net interest income		<u>572,928</u>	<u>521,344</u>
Provision (charge)/recovery for expected credit losses on financial assets	8	(74,451)	1,806
Fee and commission expense	18	(15,586)	(11,289)
Gain on lease termination		-	710
Other income		6,412	3,035
General and administrative expenses	19	<u>(364,330)</u>	<u>(385,844)</u>
Profit before income tax		<u>124,973</u>	<u>129,762</u>
Income tax expense	10	<u>(7,778)</u>	<u>(25,952)</u>
Net profit for the year		<u>117,195</u>	<u>103,810</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>117,195</u>	<u>103,810</u>

On behalf of the Management Board:

Kifayat Agalarova
General Director

June 24, 2025
Baku, the Republic of Azerbaijan

Shamil Abdurakhmanov
Chief Accountant

June 24, 2025
Baku, the Republic of Azerbaijan

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“PRIOR CREDIT NON-BANK CREDIT ORGANIZATION” OPEN JOINT-STOCK COMPANY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

(In Azerbaijani manats, unless otherwise indicated)

	Paid-in capital	Retained earnings/ (accumulated loss)	Total equity
January 1, 2023	<u>3,000,000</u>	<u>(875,255)</u>	<u>2,124,745</u>
Decrease of paid-in capital through accumulated losses	(900,000)	900,000	-
Total comprehensive income for the year	<u>-</u>	<u>103,810</u>	<u>103,810</u>
December 31, 2023	<u>2,100,000</u>	<u>128,555</u>	<u>2,228,555</u>
Total comprehensive income for the year	<u>-</u>	<u>117,195</u>	<u>117,195</u>
December 31, 2024	<u>2,100,000</u>	<u>245,750</u>	<u>2,345,750</u>

On behalf of the Management Board:

Kifayat Agalarova
General Director

June 24, 2025
Baku, the Republic of Azerbaijan



Shamil Abdurahmanov

Shamil Abdurahmanov
Chief Accountant

June 24, 2025
Baku, the Republic of Azerbaijan

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“PRIOR CREDIT NON-BANK CREDIT ORGANIZATION” OPEN JOINT-STOCK COMPANY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Azerbaijani manats, unless otherwise indicated)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		124,973	129,762
Adjustments to reconcile profit before income tax to net cash flows:			
Depreciation and amortization expenses	9	25,194	36,549
Net change in accrued interest		1,937	(4,894)
Gain on lease termination		-	(709)
Provision charge/(recovery) for expected credit losses on financial assets	8	74,451	(1,806)
Operating cash flow before working capital changes		226,555	158,902
Cash flows from operating activities before changes in operating assets and liabilities			
Change in loans to customers		(898,704)	326,487
Change in other assets		(7,079)	(35,156)
Change in other liabilities		13,721	3,557
Cash (outflow)/inflow from operating activities		(665,507)	453,790
Income tax paid		(39,159)	-
Net cash generated (used in) /from operating activities		(704,666)	453,790
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	12	1,040,000	1,456,000
Repayment of borrowings	12	(678,852)	(1,582,589)
Proceeds from amount due to related party	13	135,000	-
Repayment of amount due to related party	13	(60,000)	-
Repayment of lease liabilities	14	(4,024)	(14,612)
Net cash generated from/(used in) financing activities		432,124	(141,201)

“PRIOR CREDIT NON-BANK CREDIT ORGANIZATION” OPEN JOINT-STOCK COMPANY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024 (Continued) (In Azerbaijani manats, unless otherwise indicated)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(272,542)</u>	<u>312,589</u>
CASH AND CASH EQUIVALENTS, <i>at the beginning of the year</i>	7	<u>332,858</u>	<u>20,269</u>
CASH AND CASH EQUIVALENTS, <i>at the end of the year</i>	7	<u><u>60,316</u></u>	<u><u>332,858</u></u>

Interest paid and received by the Company during the year ended December 31, 2024, amounted to AZN 23,989 (2023: AZN 16,058) and AZN 539,830 (2023: AZN 534,612), respectively.

On behalf of the Management Board:

Kifayat Agalarova
General Director

June 24, 2025
Baku, the Republic of Azerbaijan



Shamil Abdurahmanov
Chief Accountant

June 24, 2025
Baku, the Republic of Azerbaijan

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