Separate Financial Statements and Independent Auditor's Report

AgroVision CJSC

31 December 2025

Contents

Grant Thornton

Independent Auditor's Report

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To the shareholder of AgroVision CJSC

Opinion

We have audited the separate financial statements of AgroVision CJSC (the "Company"), which comprise the separate statement of financial position as at 31 December 2025, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

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

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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), together with the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Armenia. We have also fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the separate 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.

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Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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.

Armen Hovhannisyan	Emil Vassilyan, FCCA
Chief Executive Officer of Grant Thornton CJSC	Engagement Partner

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21 April 2026

Separate statement of profit or loss and other comprehensive income

In thousand AMD

	Notes	2025	2024
Revenue		51,964	28,297
Cost of sales		(11,500)	(5,450)
Gross profit		**40,464**	**22,847**
Other income		30	957
Income from grant		2,289	2,289
Distribution expenses		(770)	(1,225)
Administrative expenses	5	(117,399)	(78,993)
Other expenses		(17,985)	-
Loss from operating activities		**(93,371)**	**(54,125)**
Income from dividends	8	383,912	310,000
Finance income	6	84,989	51,586
Finance costs	6	(48,914)	-
Loss from foreign exchange rate differences, net		(1,520)	(1,487)
Profit before income tax		**325,096**	**305,974**
Income tax recovery	7	4,160	38,183
Profit for the year		**329,256**	**344,157**
Total comprehensive income for the year		**329,256**	**344,157**

The separate statement of profit or loss and other comprehensive is to be read in conjunction with the notes to and forming part of the separate financial statements set out on pages 11 to 32.

Separate statement of financial position

In thousand AMD	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property and equipment	9	48,296	49,122
Investment property	10	47,903	52,125
Investment in subsidiaries	8	1,349,500	1,045,100
Trade and other receivables	13	-	89,601
Borrowings provided	11	403,304	122,656
Total non-current assets		**1,849,003**	**1,358,604**
Current assets			
Trade and other receivables	13	8,467	30,131
Borrowings provided	11	14,515	23,439
Cash and cash equivalents	14	25,361	211,435
Total current assets		**48,343**	**265,005**
Total assets		**1,897,346**	**1,623,609**

Separate statement of financial position (continued)

In thousand AMD	Notes	31 December 2025	31 December 2024
Equity and liabilities			
Equity	15		
Share capital		270,000	270,000
Other components		495,690	495,690
Accumulated profit		993,896	744,640
Total equity		**1,759,586**	**1,510,330**
Liabilities			
Non-current liabilities			
Grants related to assets		31,477	33,767
Deferred income tax liabilities	12	66,467	70,627
Total non-current liabilities		**97,944**	**104,394**
Current liabilities			
Trade and other payables	16	13,566	8,885
Borrowings received		26,250	-
Total current liabilities		**39,816**	**8,885**
Total equity and liabilities		**1,897,346**	**1,623,609**

The separate financial statements were approved on 21 April 2026 by:

Nvard Ananyan

Director

Hasmik Ratevosyan

Director of Analitica LLC

The separate statement of financial position is to be read in conjunction with the notes to and forming part of the separate financial statements set out on pages 11 to 32.

Separate statement of changes in equity

In thousand AMD	Share capital	Other components	Accumulated profit (loss)	Total
Balance at 1 January 2024	270,000	495,690	440,483	1,206,173
Profit for the year	-	-	344,157	344,157
Total comprehensive income for the year	**-**	**-**	**344,157**	**344,157**
Dividends	-	-	(40,000)	(40,000)
Transactions with owners	**-**	**-**	**(40,000)**	**(40,000)**
Balance at 31 December 2024	**270,000**	**495,690**	**744,640**	**1,510,330**
Profit for the year	-	-	329,256	329,256
Total comprehensive income for the year	**-**	**-**	**329,256**	**329,256**
Dividends	-	-	(80,000)	(80,000)
Transactions with owners	**-**	**-**	**(80,000)**	**(80,000)**
Balance at 31 December 2025	**270,000**	**495,690**	**993,896**	**1,759,586**

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the separate financial statements set out on pages 11 to 32.

Separate statement of cash flows

In thousand AMD

	2025	2024
Cash flows from operating activities		
Profit for the year	329,256	344,157
Adjustments for:		
Income from grants	(2,289)	(2,289)
Depreciation expense	5,614	5,191
Loss on disposal of property and equipment	1,609	-
Income from dividends	(383,912)	(310,000)
Finance costs	48,914	-
Finance income	(84,989)	(51,586)
Income tax recovery	(4,160)	(38,183)
Movement of the allowance for doubtful receivables	(6,788)	(6,692)
Foreign exchange loss	1,520	1,487
Operating loss before working capital changes	**(95,225)**	**(57,915)**
Change in trade and other receivables	153,492	143,196
Change in inventories	-	81
Change in trade and other payables	3,681	(10,968)
Cash used in operations	**61,948**	**74,394**

Separate statement of cash flows (continued)

In thousand AMD

	2025	2024
Cash flows from investing activities		
Borrowings provided	(374,558)	(64,487)
Repayment of borrowings provided	57,346	14,000
Interest income received	32,109	12,928
Investment in subsidiary, net	(304,400)	(155,600)
Acquisition of property and equipment	(2,175)	(615)
Dividends received	396,412	306,226
Net cash from (used in) investing activities	**(195,266)**	**112,452**
Cash flows from financing activities		
Proceeds from borrowings	26,250	-
Dividends paid	(79,000)	(36,000)
Net cash used in financing activities	**(52,750)**	**(36,000)**
Net increase (decrease) in cash and cash equivalents	(186,068)	150,846
Foreign exchange effect on cash	(6)	2
Cash and cash equivalents at the beginning of the year	211,435	60,587
Cash and cash equivalents at the end of the year	**25,361**	**211,435**

The statement of cash flows is to be read in conjunction with the notes to and forming part of the separate financial statements set out on pages 11 to 32.

Notes to the separate financial statements

Agrovision CJSC

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

1 Nature of operations

Agrovision is a closed joint-stock company engaged in the trade of agricultural products, providing technical support and consulting services across different sectors of agricultural production.

2 General information, statement of compliance with IFRS Accounting Standards and going concern assumption

Agrovision CJSC (the "Company") is a member of CARD Group, whose mission is to support farmers and agribusinesses in the production and marketing of food and related products, contributing to rural livelihoods by increasing incomes and creating employment opportunities.

The Company was registered in the State Register of Legal Entities of the Republic of Armenia on 6 February 2006. The Company's registered address is at 1/21, 40 Azatutyan Street, Yerevan 0037, Republic of Armenia.

The Company's ultimate parent company, the Agribusiness and Rural Development Center Foundation (the "Parent Company"), was established and operates in the Republic of Armenia. The registered address of the Parent Company is at 1/21-40, Azatutyan street, Yerevan 0037, Republic of Armenia.

These financial statements are consolidated by Center for Agribusiness and Rural Development Foundation.

The average number of employees of the Company during 2025 was 10 employees (2024: 5 employees).

Subsidiaries

The financial statements include the following subsidiaries:

31 December 2025

Subsidiaries	Ownership %	Country	Date of incorporation	Share capital	Industry
AgroTrend CJSC	100%	Armenia	10.01.2019	240,000	Sale of agricultural equipment
Smart Agro CJSc	80%	Armenia	10.01.2019	131,250	Import and sale of fodder
Kultiva CJSC	100%	Armenia	01.06.2020	310,000	Sale of agricultural equipment
AgriConcept CJSC	100%	Armenia	01.11.2019	90,000	Import and sale of food
Card AgroCredit UCO CJSC	79.62%	Armenia	27.06.2008	759,200	Provision of agricultural loans

31 December 2024

Subsidiary	Ownership %	Country	Date of incorporation	Share capital	Industry
AgroTrend CJSC	100%	Armenia	10.01.2019	80,000	Sale of agricultural equipment
Smart Agro CJSc	100%	Armenia	10.01.2019	105,000	Import and sale of fodder
Kultiva CJSC	100%	Armenia	01.06.2020	170,000	Sale of agricultural equipment
AgriConcept CJSC	100%	Armenia	01.11.2019	70,000	Import and sale of food
Card AgroCredit UCO CJSC	100%	Armenia	27.06.2008	620,100	Provision of agricultural loans

Statement of compliance and Going concern

The separate financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB").

The separate financial statements are prepared on a going concern basis, as management is satisfied that the Company has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projection of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible economic downside scenarios and their potential impacts on the profitability, capital and liquidity of the Company.

Business environment

Armenia's business environment in 2025 continues to be influenced by geopolitical tensions, regional security risks and evolving global economic conditions.

Economic performance across sectors was uneven during the period. Growth continued to be supported primarily by the trade, service and construction sectors, reflecting resilient private consumption and investment activity. Industrial output, while previously affected by contractions in select subsectors, demonstrated stability and modest improvement in recent reporting periods, aided by recovery within certain manufacturing activities.

The financial sector remained stable, underpinned by a well-capitalized and adequately regulated banking system. Regulatory oversight and supervisory practices continued to support the maintenance of liquidity, solvency, and operational soundness across financial institutions, despite the presence of external risks. For 2025 Armenia's economic growth was at 5.1%, for 2026 the expectation is at 5.4%.

Management has assessed the impact of the current economic environment on the operations of the Company and reflected this in these financial statements. However, the future economic and political situation may differ from current expectations, and such differences could affect the Company's financial position, performance, and cash flows.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2025

In the current year the Company has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board and IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2025.

The amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* was applied for the first time in 2025, which introduced requirements to assess when a currency is exchangeable into another currency and when it is not. The adoption of this amendment did not have an impact on the separate financial statements of the Company.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these separate financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement.

- IFRS 18 Presentation and Disclosure in Financial Statements

  In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss and other comprehensive income: operating profit and profit or loss before financing and income taxes
- the classification of all income and expenses within the statement of profit or loss and other comprehensive income in one of five categories: operating, investing, financing, income taxes and discontinued operations
- a new requirement to disclose performance measures defined by management, and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed to Basis of Preparation of Financial Statements.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operating activities under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other IFRS Accounting Standards.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Company is currently working to identify all the impacts that IFRS 18 will have on the separate financial statements and notes to the separate financial statements.

Other new standards, amendments and interpretations not adopted in the current year are not expected to have a material impact on the Company's separate financial statements.

- Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective for annual reporting periods beginning on or after 1 January 2026)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (effective for annual reporting periods beginning on or after 1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11 (effective for annual reporting periods beginning on or after 1 January 2026)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)

4 Material accounting policies

4.1 Basis of preparation

The Company's separate financial statements have been prepared in accordance with IFRS accounting standards issued by the IASB.

Separate financial statements have been prepared on historical cost basis.

4.2 Climate-related matters

The Company and its customers may face significant climate-related risks in the future. These risks may result in financial loss and adverse non-financial impacts, which can arise from the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks.

Physical risks arise as the result of acute weather events such as floods, droughts and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves and droughts.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behavior and investor demand.

These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

The Company acknowledges the need for further efforts to fully integrate climate in the Company's risk assessments and management protocols.

4.3 Currency

Functional and presentation currency

The national currency of Armenia is the Armenian dram ("AMD"), which is the Company's functional currency, since this currency best reflects the economic substance of the underlying events and transactions of the Company.

These separate financial statements are presented in AMD (unless otherwise stated), since management believes that this currency is more useful for the users of these separate financial statements. All financial information presented in AMD has been rounded to the nearest thousand.

Foreign currency transactions

In preparing the separate financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the Central Bank of Armenia 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 Central Bank of Armenia prevailing on the reporting date, which are as follows:

	31 December 2025	31 December 2024
AMD/1 USD	381.36	396.56
AMD/1 EUR	449.01	413.89

Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date).

4.4 Business combinations and goodwill

All investments are accounted for at cost. The Company has accounted for the donation of CARD Agrocredit UCO CJSC at cost, resulting in no goodwill or income from the transfer of low value. This method is due to the fact that both companies are members of the same group and do not have a non-controlling interest, and there was no change in the ultimate controlling entity as a result of the transaction.

4.5 Revenue

Revenue arises mainly from the provision of services.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from leases is recognized over time when the Company satisfies performance obligation. Revenue from the provision of services is recognized when the services actually rendered are accepted by the customer.

4.6 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenditure to replace a component of an item of property and equipment that is accounted for separately is capitalized within the carrying amount of that asset. Subsequent expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in profit or loss as incurred.

Depreciation is charged to profit or loss or is added to the cost of other asset on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use. The estimated useful lives are as follows:

Buildings and constructions	-	20 years
Vehicles	-	5-8 years
Fittings	-	5-8 years
Other	-	5 years.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

4.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of the investment property, which is estimated at 14-19 years for buildings. Depreciation commences when assets are available for use.

Rental income and operating expenses from investment property are included in revenue and other expenses, respectively.

4.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a part to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the Company's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or gain or loss from foreign exchange rate differences, except for impairment of trade receivables which is presented within other expenses. A summary of the Company's financial assets by category is given in Note 19.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company’s cash and cash equivalents, bank deposits, trade receivables, and borrowings provided fall into this category of financial instruments.

Impairment of financial assets

IFRS 9’s impairment requirements use more forward-looking information to recognize expected credit losses – the “expected credit loss (ECL) model”.

In accordance with IFRS 9, the Company recognizes an allowance for expected credit losses (ECL) on financial assets measured at amortized cost and on debt instruments measured at fair value through other comprehensive income (FVOCI), as well as on certain loan commitments and financial guarantee contracts, as applicable. ECL represents the present value of cash shortfalls, being the difference between the contractual cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive. The cash shortfalls are discounted using the asset’s original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets, as applicable).

For a detailed analysis of how the impairment requirements of IFRS 9 are applied refer to Note 20.2.

Classification and measurement of financial liabilities

The Company's financial liabilities include loans and borrowings, trade and other payables.

A summary of the Company's financial liabilities by category is given in Note 19.

Borrowings to related parties

Borrowings to related parties are initially recognized at fair value, net of any transaction costs. The difference between the borrowing’s fair value and its nominal amount is recorded in profit or loss.

After initial recognition, borrowings to owners are measured at amortized cost, with the difference between the carrying amount and the amount repayable on maturity recognized in profit or loss over the term of the borrowing using the effective interest method.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank accounts, cash in transit and on-demand deposits, together with other short-term, 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 held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.10 Grants

Grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Grants with a primary condition to purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other grants are recognized as income over the periods necessary to match them with the cost for which they are intended to compensate on a systematic basis. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit in the period in which they become receivable.

4.11 Income taxes

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4.12 Equity and dividends

Equity instruments issued by the Company are recorded at nominal value.

Share capital represents the nominal value of shares that have been issued.

Accumulated profit include all current and prior period retained profits.

All transactions with owners are recorded separately within equity.

Other components of equity represent the investment in a subsidiary received from the Parent Company free of charge, net of deferred taxes related to the transaction.

Dividends are recognized as a liability in the period in which they are declared.

4.13 Employee benefits

Short-term employee benefits are benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services and include:

(a) wages, salaries and bonuses;

(b) paid annual leaves and paid disability leaves;

When employees render services to the Company during the accounting period, the Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Company shall recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

(b) as an expense, unless the amount is included in the cost of an asset.

Paid absences

The expected cost of short-term employee benefits in the form of paid absences is recognized as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.

(b) in the case of non-accumulating paid absences, when the absences occur.

Bonuses

The expected cost of bonus payments is recognized when and only when the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

A present obligation exists when, and only when, the Company has no realistic alternative but to make the payments.

4.14 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of separate financial statements in conformity with IFRS Accounting Standards requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the reporting period.
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.14.1 Significant judgments in applying accounting policies

The following are the judgements made by management in applying the accounting policies of the Company that have the most significant effect on the separate financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in tax environment.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

4.14.2 Estimation uncertainty

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.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

For financial instruments measured using valuation techniques (e.g., discounted cash flow models), management maximizes the use of observable inputs; however, where such inputs are unavailable, unobservable inputs must be applied. Changes in these assumptions — including market interest rates, credit spreads, liquidity conditions or volatility — could have a material impact on the fair values recognized.

Useful lives and residual values of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and environmental regulations that can make polluting assets to be depreciated more quickly.

A review of the useful lives for depreciable assets has been performed in regard to climate change and environmental regulations as known at the reporting date. The review has not identified any significant impact to the carrying amounts of the Company's depreciable assets.
The useful lives of depreciable assets are reviewed at least annually, taking into consideration the factors mentioned above and all other important relevant information. Management believes that estimated useful lives of these assets are not materially different from their economical lives. If actual useful lives are different from estimations, separate financial statements may be materially different.

Provision for expected credit losses of financial assets

The Company uses judgement to estimate allowance for expected credit losses (ECL) for financial assets at amortized costs. ECL are measured in a way that reflects the unbiased and probability-weighted amount, the time-value of money and reasonable and supportable information at the reporting date pertaining to past events, current conditions and forecasts of future economic conditions.

The information about the ECLs on the Company's financial assets is disclosed in Note 20.2.

5 Administrative expenses

	2025	2024
Employee benefits	83,700	57,326
Depreciation of property and equipment and investment property	5,590	5,191
Bank charges and insurance expenses	675	528
Audit and consulting expenses	9,893	4,963
Business trip and representation expenses	9,064	7,757
Other	8,477	3,228
	117,399	**78,993**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

6 Finance income and costs

	2025	2024
Interest income from short-term bank deposits	4,144	1,854
Income from presentation of financial liabilities at present value	-	21,262
Income from reversal of discounting of financial assets	47,939	15,126
Interest income from borrowings provided	32,906	13,344
Total finance income	**84,989**	**51,586**
Fair value adjustment of borrowings provided	48,914	-
Total finance costs	**48,914**	**-**
Net finance income	**36,075**	**51,586**

7 Income tax recovery

	2025	2024
Deferred tax (Note 12)	4,160	38,183
Total income tax recovery	**4,160**	**38,183**

Reconciliation of the effective tax rate is as follows:

	2025	Effective tax rate (%)	2024	Effective tax rate (%)
Profit before taxation (under IFRS Accounting Standards)	325,096		305,974	
Tax calculated at a tax rate of 18% (2024: 18%)	58,517	18%	55,075	18%
(Non-taxable) non-deductible items, net	(57,693)	(18%)	(86,629)	(28%)
Effect of unused tax losses not recognized as deferred income tax assets	(4,984)	(2%)	(6,629)	(2%)
Income tax recovery	**(4,160)**	**(2%)**	**(38,183)**	**(12%)**

8 Investments in subsidiaries

The Company has equity interests in the entities listed below.

	2025	2024
Kultiva CJSC	310,000	170,000
AgriConcept CJSC	90,000	70,000
AgroTrend CJSC	240,000	80,000
Smart Agro CJSc	105,000	105,000
Card AgroCredit UCO CJSC	604,500	620,100
	1,349,500	**1,045,100**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

The summary of financial information about the Company's associates is as follows:

	31 December 2025	31 December 2024
Balance at the beginning of year	1,045,100	889,500
Additions	320,000	155,600
Disposals	(15,600)	-
Balance at the end of year	**1,349,500**	**1,045,100**

The Company has not consolidated the financial statements of its subsidiaries, as they have been consolidated in the consolidated financial statements of the ultimate controlling party, Agribusiness and Rural Development Center Foundation. Detailed information about the subsidiaries is provided in Note 2.

Dividend income

In 2025, the following dividends were declared: Card AgroCredit UCO CJSC: AMD 383,912 thousand (2024: AMD 297,500 thousand), AgriConcept CJSC: nil (2024: AMD 12,500 thousand).

9 Property and equipment

	Land	Vehicles and fittings	Other	Total
Cost				
Balance at 1 January 2024	45,791	8,598	1,095	55,484
Additions	-	-	615	615
Balance at 31 December 2024	**45,791**	**8,598**	**1,710**	**56,099**
Additions	-	2,175	-	2,175
Disposals	-	(7,760)	-	(7,760)
Balance at 31 December 2025	**45,791**	**3,013**	**1,710**	**50,514**
Accumulated depreciation				
Balance at 1 January 2024	-	5,284	724	6,008
Charge for the year	-	647	322	969
Balance at 31 December 2024	**-**	**5,931**	**1,046**	**6,977**
Charge for the year	-	735	657	1,392
Eliminated on disposal	-	(6,151)	-	(6,151)
Balance at 31 December 2025	**-**	**515**	**1,703**	**2,218**
Carrying amount				
Balance at 31 December 2024	**45,791**	**2,667**	**664**	**49,122**
Balance at 31 December 2025	**45,791**	**2,498**	**7**	**48,296**

Depreciation expenses have been charged to distribution expenses at amount of AMD 24 thousand (2024: nil) and administrative expenses at amount of AMD 1,368 thousand (2024: AMD 969 thousand).

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

10 Investment property

	2025	2024
Carrying amount		
Balance at the beginning of year	52,125	56,347
Depreciation charge for the year	(4,222)	(4,222)
Balance at the end of year	**47,903**	**52,125**

Depreciation expenses have been charged to administrative expenses.

11 Borrowings provided

	31 December 2025	31 December 2024
Non-current assets		
Borrowings to related parties	290,655	122,656
Borrowings to individuals	156,596	-
Fair value adjustment	(43,947)	-
	403,304	**122,656**
Current assets		
Borrowings to related parties	-	23,439
Borrowings to individuals	14,515	-
	14,515	**23,439**
Total borrowings provided	**417,819**	**146,095**

The Company has provided interest-free borrowings to individuals (employees of the Company and its subsidiaries) for a period of 7 years.

12 Deferred income taxes

The movement of deferred income taxes is disclosed below:

	2025	2024
Balance at the beginning of year	(70,627)	(108,810)
Credited to profit or loss (Note 7)	4,160	38,183
Balance at the end of year	**(66,467)**	**(70,627)**

Deferred income taxes for the year ended 31 December 2025 can be summarized as follows:

	1 January 2025	Recognized in profit or loss	31 December 2025
Deferred income tax assets			
Trade and other receivables	14,200	(11,734)	2,466
Trade and other payables	404	192	596
Borrowings provided	-	7,910	7,910
Accumulated tax loss	23,579	4,984	28,563
	38,183	**1,352**	**39,535**
Deferred income tax liabilities			
Donation received (Note 15.3)	108,810	(2,808)	106,002

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	1 January 2025	Recognized in profit or loss	31 December 2025
	108,810	**(2,808)**	**106,002**
Net position – deferred income tax liabilities	**(70,627)**	**4,160**	**(66,467)**

Deferred income taxes for the year ended 31 December 2024 can be summarized as follows:

	1 January 2024	Recognized in profit or loss	31 December 2024
Deferred income tax assets			
Trade and other receivables	20,624	(6,424)	14,200
Trade and other payables	719	(315)	404
Accumulated tax loss	16,950	6,629	23,579
	38,293	**(110)**	**38,183**
Deferred tax asset valuation	(38,293)	38,293	-
Deferred income tax liabilities			
Donation received (Note 15.3)	108,810	-	108,810
	108,810	**-**	**108,810**
Net position – deferred income tax liabilities	**(108,810)**	**38,183**	**(70,627)**

13 Trade and other receivables

	31 December 2025	31 December 2024
Financial assets		
Trade receivables	21,652	126,737
Allowances for credit losses	(13,702)	(20,490)
Receivables on dividends	-	12,500
	7,950	**118,747**
Non-financial assets		
Advances and prepayments	40	43
Prepaid taxes	477	942
	517	**985**
Total trade and other receivables	**8,467**	**119,732**
Including:		
Non-current	-	89,601
Current	8,467	30,131

The average credit period of trade receivables arising from the provision of services is 152 days (2024: 515 days). No interest is accrued on trade receivables.

Fair values of trade and other receivables included in financial assets are as follows:

	Fair value		Carrying amount	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Trade and other receivables from related parties	-	155,379	-	97,932
Other receivables	7,950	20,815	7,950	20,815

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	Fair value		Carrying amount	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	7,950	**176,194**	**7,950**	**118,747**

The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

Long-term receivables from related parties are interest-free and are stated at fair value by discounting the related cash flows over 12 years using the CBA interest rates for similar financial instruments for the period.

All of the Company's trade and other receivables for the comparative period have been reviewed for any indication of impairment.

The reconciliation of expected credit loss allowance is as follows:

	2024	2023
Balance at the beginning of the year	20,490	27,182
Loss allowance reversed during the year	(6,788)	(6,692)
Balance at the end of the year	**13,702**	**20,490**

Note 20.2 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

14 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short-term investments with a maturity period of less than 3 months, net of outstanding bank overdrafts. Cash and bank balances at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position, as follows:

	31 December 2025	31 December 2024
Bank accounts	25,361	69,581
Short-term investments	-	141,854
Total cash and cash equivalents	**25,361**	**211,435**

See Note 20.1 for the currencies in which the cash and cash equivalents are denominated.

15 Equity

15.1 Share capital

Number of shares unless otherwise stated	Ordinary shares	Ordinary shares
	2025	2024
Authorized shares		
Number of ordinary shares of AMD 600,000 each	450	450

The Company has one class of ordinary shares, which carry no right to fixed income.

15.2 Dividends

During 2025 dividends at the amount of AMD 80,000 thousand were declared and the paid amount was AMD 79,000 thousand. During 2024 dividends at the amount of AMD 40,000 thousand were declared and the paid amount was AMD 36,000 thousand.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

15.3 Other components

In accordance with the donation agreement signed on 28 June 2022, Agribusiness and Rural Development Center Foundation donated 100% of its shares in CARD Agrocredit UCO CJSC to Agrovision CJSC. The value of the shares amounted to AMD 604,500 thousand. The donation received, reduced by the amount of the corresponding deferred tax liabilities, was recognized in equity as other components. The Company accounted for the transfer of shares of CARD Agrocredit UCO CJSC at its cost. As a result no goodwill or profit from the acquisition at preferential price was generated. The specified accounting method was selected, as both companies are members of the same group, do not have any non-controlling interests, and the ultimate controlling party did not change as a result of the transaction.

16 Trade and other payables

	31 December 2025	31 December 2024
Financial liabilities		
Trade payables	1,958	1,752
Dividends payable	5,000	4,000
Payables to employees	3,313	2,244
	10,271	**7,996**
Non-financial liabilities		
Advances from customers	118	109
Taxes and duties payable	3,177	780
	3,295	**889**
Total trade and other payables	**13,566**	**8,885**

No interest is charged on the trade payables. The Company has financial risk management policies to ensure that all payables are paid within the credit timeframe.

17 Related parties

The Company's related parties include its parent, subsidiaries and key management as presented below.

17.1 Control relationships

The Company is controlled by the Center for Agribusiness and Rural Development Foundation which owns 100% of the Company's shares and is the ultimate parent of the Company.

The Center for Agribusiness and Rural Development Foundation is incorporated in the Republic of Armenia and is located at 1/21, 40 Azatutyan Street, Yerevan and publishes consolidated financial statements. The ultimate controlling party of the Company is the board of shareholders.

17.2 Transactions with related parties

During the reporting year the Company had the following transactions with the related parties and as at the reporting date had the following outstanding balances.

Transactions	2025	2024
Parent		
Acquisition of services	180	-
Provision of services	4,347	6,465
Dividends payable	80,000	40,000
Subsidiaries		

Transactions	2025	2024
Provision of services	2,009	1,673
Acquisition of services	1,858	140
Dividends receivable	383,912	310,000
Borrowings received	26,250	-
Borrowings provided	193,600	74,489
Repayment of borrowings received	49,020	6,000
Capital replenishment	304,400	155,600
Interest income	27,945	23,675
Other	426	-
Key management		
Salaries and bonuses	63,917	42,343
Acquisition of services	38,288	28,505
Borrowings provided	115,288	-
Replanishment of borrowings provided	5,962	-
Disposal of shares in subsidiaries	9,817	-

Outstanding balances	31 December 2025	31 December 2024
Parent		
Accounts payable	5,000	4,000
Subsidiaries		
Trade and other receivables	1,244	160,585
Borrowings provided	290,655	145,451
Borrowings received	26,250	-
Capital replenishment	1,349,500	1,045,100
Accounts payable	46	-
Key management		
Borrowings provided	109,326	-

18 Contingent liabilities

18.1 Insurance

The Armenian insurance industry is in its development stage and many forms of insurance protection common in other parts of the world are not yet generally available in Armenia. The Company does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on the Company property or relating to the Company operations. Until the Company obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets or environmental damage could have a materially adverse effect on the Company's operations and financial position.

18.2 Taxes

The taxation system in Armenia is characterized by frequently changing legislation, which sometimes needs interpretations. Often differing interpretations exist among various taxation authorities and jurisdictions.

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Taxes are subject to review and investigations by tax authorities, which are enabled by law to impose fines and penalties.

These facts may create tax risks in Armenia substantially more than in other developed countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

18.3 Environmental matters

Management is of the opinion that the Company has met the Government's requirements concerning environmental matters and, therefore, believes that the Company does not have any current material environmental liabilities. However, environmental legislation in Armenia is in process of development and potential changes in the legislation and its interpretation may give rise to material liabilities in the future.

19 Financial assets and liabilities

Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in Note 4.8. The carrying amounts of financial assets and financial liabilities in each category are as follows:

Financial assets

	31 December 2025	31 December 2024
Amortized cost		
Trade and other receivables	7,950	118,747
Borrowings provided	417,819	146,095
Cash and cash equivalents	25,361	211,435
Total financial assets at amortized cost	**451,130**	**476,277**
Total financial assets	**451,130**	**476,277**

Financial liabilities

	31 December 2025	31 December 2024
Amortized cost		
Borrowings	26,250	-
Trade and other payables	10,271	7,996
Total financial liabilities at amortized cost	**36,521**	**7,996**
Total financial liabilities	**36,521**	**7,996**

A description of the Company's financial instrument risks, including risk management objectives and policies, is given in Note 20.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 21.1.

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20 Financial instruments risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

20.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk.

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

Most of the Company's transactions are carried out in Armenian drams. Exposures to currency exchange rates arise from the Company's borrowings provided, which are primarily denominated in USD.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are translated into Armenian drams at the closing rate:

Item

31 December 2025	USD	Euro
Financial assets		
Borrowings provided	38,136	-
Cash and cash equivalents	228	8
Total financial assets	**38,364**	**8**
Net position	**38,364**	**8**

Item

31 December 2024	USD	Euro
Financial assets		
Borrowings provided	39,636	-
Cash and cash equivalents	237	1
Total financial assets	**39,873**	**1**
Net position	**39,873**	**1**

The following table details the Company's sensitivity to a 5% (2024: 10%) increase and decrease in dram against USD. 5% 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 5% change in foreign currency rates.

If Armenian dram had strengthened against USD and Euro by 5% (2024: 10%) then this would have had the following impact:

	USD impact	
	2025	2024
Profit or loss	1,918	3,987

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20.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's management carefully manages its exposure to credit risk. The credit risk is managed on a group basis based on the Company's credit risk management policies and procedures. The estimation of credit risk for risk management purposes involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time.

The expected credit-loss approach uses three stages for allocating impairment losses:

Stage 1: expected credit losses within the next twelve months

Stage 1 includes all contracts with no significant increase in credit risk since initial recognition and usually contains new contracts that are fewer than 31 days past due date. The portion of the lifetime expected credit losses resulting from default events possible within the next 12 months is recognized.

Stage 2: expected lifetime credit losses - not credit impaired

If a financial asset has a significant increase in credit risk since initial recognition but is not yet credit impaired, it is moved to stage 2 and measured at lifetime expected credit loss. This is defined as the expected credit loss that results from all possible default events over the expected life of the financial instrument.

In all cases, the Company considers that there has been a significant increase in credit risk when the contractual payment is more than 31 days past due.

Stage 3: expected lifetime credit losses - credit impaired

If a financial asset is defined as credit impaired or in default, it is transferred to stage 3 and measured at lifetime expected credit loss. Objective evidence for a credit-impaired financial asset includes 90 days past due date as well as other information indicating significant financial difficulties of the counterparty. The Company considers a financial asset to be in default when the counterparty is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

The determination of whether a financial asset has experienced a significant increase in credit risk is based on an assessment of the probability of default, which is made at least monthly, incorporating external credit rating information as well as internal information on the credit quality of the financial asset. For financial assets that are not receivable from financial institutions, a significant increase in credit risk is assessed mainly based on past-due information.

The maximum exposure to credit risk is represented by the carrying amounts of the following financial instruments:

	31 December 2025	31 December 2024
Amortized cost		
Borrowings provided	417,819	146,095
Trade receivables	7,950	118,747
Cash and cash equivalents	25,361	211,435
Total financial assets	**451,130**	**476,277**

Trade receivables

The concentration of credit risk with respect to trade receivables is limited given that the Company's customer base is large and unrelated.

The Company applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due for groupings of various customer segments with similar loss patterns. The expected loss rates are based on the payment profile for sales of the last year as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of macroeconomic factors has not been considered significant within the reporting period.

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Trade receivables are written off (i.e. derecognized) when there is no reasonable expectation of recovery. Failure to make payments and failure to engage with the Company on alternative payment arrangements amongst others are considered indicators of no reasonable expectation of recovery.

The Company's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances.

On the above basis the expected credit loss for trade receivables was determined as follows:

31 December 2025	Expected credit loss	Gross carrying amount	Lifetime expected credit loss
1 month to 6 months	63,3%	21,652	13,702
	63,3%	**21,652**	**13,702**

31 December 2024	Expected credit loss	Gross carrying amount	Lifetime expected credit loss
Less than 1 month	-	16,645	-
More than 1 year	16.7%	110,092	20,490
	16.7%	**126,737**	**20,490**

Management believes there is no further credit risk provision required in excess of the normal provision for bad and doubtful receivables.

Borrowings provided

The management concluded that after initial recognition there is no significant increase in credit risk in respect of the borrowings provided to the related parties. The borrowings provided to individuals are secured by shares held by them in another company.

Bank balances and short-term investments

The credit risk in respect of bank balances and deposits is managed via diversification of banks and are only held with major reputable financial institutions.

S&P Global Ratings	31 December 2025	31 December 2024
BB-	25,361	211,435
Total	**25,361**	**211,435**

20.3 Liquidity risk analysis

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 cash equivalents, 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.

2025	Non-interest bearing	Total
Weighted average effective interest rate (%)		

2025	Non-interest bearing	Total
Less than 6 months	10,271	10,271
6 months to 1 year	26,250	26,250
	36,521	**36,521**

2024	Non-interest bearing	Total
Weighted average effective interest rate (%)	-	-
Less than 6 months	7,996	7,996
	7,996	**7,996**

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, particularly its cash resources and trade receivables.

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).

21.1 Fair value measurement of financial instruments

Financial instruments measured at amortized cost for which the fair value is disclosed

The carrying amount of the Company's financial instruments are considered to be a reasonable approximation of the fair value.

Trade receivables and payables, cash and cash equivalents are either liquid or short-term, thus, it is assumed that the carrying amount is close to their fair value.

The fair values of the Company’s interest-bearing loans and borrowings are determined by using the discounted cash flows method using the discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period.

Fair value of the borrowings provided to and received from related parties at a below-market interest rate is estimated by the discounted cash flows method, using the market interest rates that the Company would have to pay at the reporting date to obtain a borrowing with a similar term and security. The most significant variable is the discount rate.

The fair value is determined using the present value approach. The fair value is estimated by discounting the contractual cash flows at a rate of 10%. The most significant variable is the discount rate, which is 10%. The Company’s financial instruments are categorized within Level 2 of the fair value hierarchy.