

**“CFI FINANCIAL INVESTMENT COMPANY”
CLOSED JOINT STOCK COMPANY (formerly
“AZ-FINANCE INVESTMENT COMPANY”
CLOSED JOINT STOCK COMPANY)**

**Consolidated Financial Statements and
Independent Auditors’ Report**
For the Year Ended December 31, 2024

“CFI FINANCIAL INVESTMENT COMPANY” CLOSED JOINT STOCK COMPANY

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

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report is made with a view to distinguishing the respective responsibilities of the management and those of the independent auditors in relation to the consolidated financial statements of "CFI Financial Investment Company" CJSC, formerly known as "Az-finance Investment Company" CJSC and its subsidiary (the "Group").

Management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of the Group as at December 31, 2024, the consolidated results of its operations, the consolidated cash flows and the consolidated 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 consolidated financial statements, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Preparing the consolidated financial statement so on going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.
- If the Group will continue to operate under normal conditions in the near future, prepare consolidated financial statements for the reporting date based on the principle of sustainability.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with selected financial reporting framework;
- 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 Group and;
- Detecting and preventing fraud, errors and other irregularities.


The consolidated financial statements for the year ended December 31, 2024 were authorized for issue on May 29, 2025 by the Management of the Group.

On behalf of the Management Board:


Parvana Gasimova
Chairman of the Management Board

May 29, 2025
Baku, the Republic of Azerbaijan




Ilaha Osmanova
Chief Accountant

May 29, 2025
Baku, the Republic of Azerbaijan

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Management of “CFI Financial Investment Company” Closed Joint Stock Company:

Opinion

We have audited the consolidated financial statements of “CFI Financial Investment Company” Closed Joint Stock Company (formerly known as “Az-Finance Investment Company” CJSC) and its subsidiary (together referred as the “Group”), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

There were no key audit matters that required significant attention from the auditor.

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

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

ASSURANCE ADVISORY TAX LEGAL

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Baker Tilly Azerbaijan
May 29, 2025
Baku, the Republic of Azerbaijan

“CFI FINANCIAL INVESTMENT COMPANY” CLOSED JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024 (In Azerbaijani Manats)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Property and equipment	8	606,012	21,690
Right-of-use assets	9	1,735,103	-
Intangible assets	10	74,591	173,484
Deferred income tax assets	21	15,077	-
Other assets	9	24,510	-
Total non-current assets		2,455,293	195,174
Current assets			
Investments in debt securities	11	22,000	2,380,020
Investments in equity securities	12	14,455	4,496,933
Trade and other receivables	13	2,543,172	495,703
Cash at bank and on hand	14	3,603,119	6,962,637
Cash at trading account	14	76	216,621
Other assets		65,600	25,327
Total current assets		6,248,422	14,577,241
TOTAL ASSETS		8,703,715	14,772,415
LIABILITIES AND EQUITY			
LIABILITIES			
Issued debt securities	16	905,754	1,771,727
Lease liabilities	9	1,558,174	-
Deferred income tax liability		-	190,293
Total non-current liabilities		2,463,928	1,962,020
Current liabilities			
Due to customers	14	125,115	6,787,085
Issued debt securities	16	-	1,648,100
Advances received		-	500,000
Lease liabilities	9	278,420	-
Other liabilities	15, 7	79,357	146,767
Total current liabilities		482,892	9,081,952
TOTAL LIABILITIES		2,946,820	11,043,972
EQUITY			
Share capital	17	4,550,000	1,550,000
Capital reserves		612,175	612,175
Retained earnings		594,308	1,565,689
Equity attributable to the Group's owners		5,756,483	3,727,864
Non-controlling interest		412	579
Total equity		5,756,895	3,728,443
TOTAL LIABILITIES AND EQUITY		8,703,715	14,772,415

On behalf of the Management Board:

Parvana Gasimova
Chairman of the Management Board

May 29, 2025
Baku, the Republic of Azerbaijan

Ilaha Osmanova
Chief Accountant

May 29, 2025
Baku, the Republic of Azerbaijan

The notes on pages 10 to 49 form an integral part of these consolidated financial statements.

“CFI FINANCIAL INVESTMENT COMPANY” CLOSED JOINT STOCK COMPANY

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

(In Azerbaijani Manats)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Revenue			
Revenue from consulting services		100,200	217,470
Revenue from portfolio management		53,509	489,298
Other revenue	7	<u>37,539</u>	<u>54,141</u>
Total revenue		<u>191,248</u>	<u>760,909</u>
Net fees and commission income	7, 18	170,311	200,077
Expenses			
Staff cost	7, 19	(732,400)	(842,363)
Operating expenses	7, 19	<u>(503,755)</u>	<u>(457,852)</u>
Operating loss		<u>(874,596)</u>	<u>(339,229)</u>
Income from trading securities	20	777,876	1,099,900
Finance income		44,360	97,410
Finance costs	9, 16	(185,914)	(193,580)
Write off of non-financial assets	10	(100,761)	-
Impairment of financial assets	13	(85,000)	(60,354)
Loss from trading platforms	14	<u>(752,883)</u>	<u>-</u>
(Loss)/profit before income tax		<u>(1,176,918)</u>	<u>604,147</u>
Income tax benefit/(expense)	21	<u>205,370</u>	<u>(140,331)</u>
Net (loss)/profit for the year		<u>(971,548)</u>	<u>463,816</u>
Total (loss)/profit and other comprehensive income		<u>(971,548)</u>	<u>463,816</u>
Total profit and other comprehensive income attributable to:			
- Owners of the Group		(971,381)	464,022
- Non-controlling interest		<u>(167)</u>	<u>(206)</u>
Total comprehensive (loss)/income for the year		<u>(971,548)</u>	<u>463,816</u>

On behalf of the Management Board:

Parvana Gasimova
Chairman of the Management Board

May 29, 2025
Baku, the Republic of Azerbaijan

Ilaha Osmanova
Chief Accountant

May 29, 2025
Baku, the Republic of Azerbaijan

The notes on pages 10 to 49 form an integral part of these consolidated financial statements.

“CFI FINANCIAL INVESTMENT COMPANY” CLOSED JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024 (In Azerbaijani Manats)

	Share capital	Capital reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2023	<u>1,550,000</u>	<u>612,175</u>	<u>1,403,917</u>	<u>3,566,092</u>	<u>785</u>	<u>3,566,877</u>
Total comprehensive income for the year	-	-	464,022	464,022	(206)	463,816
Dividends declared	-	-	(302,250)	(302,250)	-	(302,250)
Balance at December 31, 2023	<u>1,550,000</u>	<u>612,175</u>	<u>1,565,689</u>	<u>3,727,864</u>	<u>579</u>	<u>3,728,443</u>
Total comprehensive loss for the year	-	-	(971,381)	(971,381)	(167)	(971,548)
Increase in share capital	3,000,000	-	-	3,000,000	-	3,000,000
Balance at December 31, 2024	<u>4,550,000</u>	<u>612,175</u>	<u>594,308</u>	<u>5,756,483</u>	<u>412</u>	<u>5,756,895</u>

On behalf of the Management Board:


Parvana Gasimova
Chairman of the Management Board

May 29, 2025
Baku, the Republic of Azerbaijan


Ilaha Osmanova
Chief Accountant

May 29, 2025
Baku, the Republic of Azerbaijan

The notes on pages 10 to 49 form an integral part of these consolidated financial statements.

“CFI FINANCIAL INVESTMENT COMPANY” CLOSED JOINT STOCK COMPANY

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Azerbaijani Manats)**

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before income tax		(1,176,918)	604,147
Adjustments for non-cash items:			
Depreciation of property and equipment	8, 9	77,380	6,450
Amortization of intangible assets	10	11,732	11,994
Income from trading securities		(777,876)	(1,099,900)
Finance income		(44,360)	(97,410)
Finance costs	9, 16	185,914	193,580
Write off of non-financial assets	10	100,761	-
Impairment of financial assets	13	85,000	60,354
Cash outflow from operating activities before changes in operating assets and liabilities		(1,538,367)	(320,785)
Changes in working capital			
Changes in cash at the trading account		216,545	32,185
Changes in trade and other receivables		463,916	(433,389)
Changes in other assets		(12,076)	23,038
Changes in other liabilities		(16,302)	(66,649)
Cash outflow from operating activities before income tax and interest expense		(886,284)	(765,600)
Income taxes paid		(103,814)	(60,488)
Interest expenses paid		(248,286)	-
Net cash outflow from operating activities		(1,238,384)	(826,088)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of/(purchase) debt securities, net		2,587,450	(1,583,834)
Proceeds from equity securities, net		4,489,627	1,095,477
Loan provided under reverse repo agreements		(2,511,385)	-
Payments for property and equipment and intangible assets		(603,006)	-
Loan provided to other entity		(85,000)	-
Dividends received		22,036	22,692
Interest received		63,621	167,969
Net cash inflow/(outflow) from investing activities		3,963,343	(297,696)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital issue	17	3,000,000	-
Repayment of issued debt securities	16	(2,392,884)	(1,700,871)
Receipts from issued debt securities	16	-	1,609,976
Repayment of lease liabilities	9	(29,623)	-
Dividends paid to shareholders	17	-	(302,250)
Net cash inflow/(outflow) from financing activities		577,493	(393,145)

“CFI FINANCIAL INVESTMENT COMPANY” CLOSED JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2024 (Continued) (In Azerbaijani Manats)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,302,452	(1,516,929)
CASH AND CASH EQUIVALENTS, <i>at the beginning of the year</i>	14	<u>175,552</u>	<u>1,692,481</u>
CASH AND CASH EQUIVALENTS, <i>at the end of the year</i>	14	<u>3,478,004</u>	<u>175,552</u>

On behalf of the Management Board:


Parvana Gasimova
Chairman of the Management Board

May 29, 2025
Baku, the Republic of Azerbaijan




Ilaha Osmanova
Chief Accountant

May 29, 2025
Baku, the Republic of Azerbaijan

The notes on pages 10 to 49 form an integral part of these consolidated financial statements.