“Azfen” LLC

International Financial Reporting Standards
Financial Statements and
Independent Auditor’s Report

31 December 2025

Contents

Tel: +994 12 4886610
Fax: +994 12 4886609
www.bdo.az

BDO Azerbaijan LLC
15 8 November Avenue
Azure Business Centre
Baku AZ1025, Azerbaijan

Independent Auditor's Report

To the Board of Directors of "Azfen" LLC

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (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 of Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Azerbaijan, 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 audit opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a loss before tax of AZN 1,778,063 during the year ended 31 December 2025 (2024: 30,624,238). As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the accompanying 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial 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 the Board of Directors 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 the 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.

The engagement partner on the audit resulting in this independent auditor's report is Yunis Salayev.

BDO Azerbaijan LLC

30 April 2026

Baku, Azerbaijan

BDO

Statement of Management's Responsibilities for the Preparation and Approval of the Financial Statements for the Year Ended 31 December 2025

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's report, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditor in relation to the financial statements of "Azfen" LLC ("the Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at 31 December 2025, the results of its operations, cash flows and changes in equity for the years then ended, in accordance with International Financial Reporting Standards ("IFRSs")

In preparing the 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 IFRSs 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, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRSs;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Azerbaijan Republic;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Detecting and preventing fraud and other irregularities.

On behalf of the Company's management the financial statements for the year ended 31 December 2025 were authorised for issue on 30 April 2026 by:

Rashad Shahmammadov Acting General Manager	Ali Özcan Deputy General Manager on Finance

Azərbaycan Respublikası Məhdud Məsuliyyətli Cəmiyyət AZFEN Limited Liability Company Republic of Azerbaijan

	Note	31 December 2025	31 December 2024
ASSETS			
Current assets			
Cash and cash equivalents	5	57,343,600	48,595,713
Restricted cash	5	1,778,750	6,802,617
Trade receivables	6	26,580,389	24,823,044
Contract assets	6, 17	15,190,038	4,590,431
Inventories	8	13,818,461	5,395,159
Other receivables and other current assets	9	4,159,239	4,015,816
Total current assets		**118,870,477**	**94,222,780**
Non-current assets			
Property, plant and equipment	12	132,124,826	136,214,169
Intangible assets	13	269,714	386,086
Deferred tax asset	15	18,516,975	16,523,065
Total non-current assets		**150,911,515**	**153,123,320**
TOTAL ASSETS		**269,781,992**	**247,346,100**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	10	11,990,556	5,487,016
Contract liabilities	17	16,804,732	3,326,881
Other payables	11	15,154,883	12,916,229
Total current liabilities		**43,950,171**	**21,730,126**
Equity			
Charter fund	16	276,885	276,885
Retained earnings		225,554,936	225,339,089
Total equity		**225,831,821**	**225,615,974**
TOTAL LIABILITIES AND EQUITY		**269,781,992**	**247,346,100**

Notes on pages 10-39 are an integral part of these financial statements.

Rashad Shahmammadov
Acting General Manager

Ali Ozcan
Deputy General Manager on Finance

30 April 2026

	Note	For the year ended 31 December 2025	For the year ended 31 December 2024
Revenue from contract with customers	17	113,096,795	75,216,670
Contract costs	18	(112,787,047)	(98,880,801)
Gross profit / (loss)		**309,748**	**(23,664,131)**
Administrative expenses	19	(8,714,602)	(6,168,546)
Foreign exchange gain / (loss), net		363,884	(193,706)
Finance income		1,056,482	143,813
Other gain / (loss), net	20	5,081,935	(1,139,024)
Other operating income		124,490	397,356
Loss before tax		**(1,778,063)**	**(30,624,238)**
Income tax credit	15	1,993,910	4,709,662
Net profit / (loss) for the year		**215,847**	**(25,914,576)**
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**215,847**	**(25,914,576)**

Notes on pages 10-39 are an integral part of these financial statements.

Azərbaycan Respublikası Məhdud Məsuliyyətli Cəmiyyəti AZFEN Limited Liability Company Republic of Azerbaijan

Rashad Shahmammadov
Acting General Manager

Ali Ozcan
Deputy General Manager on Finance

30 April 2026

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows from operating activities:			
Loss before tax		(1,778,063)	(30,624,238)
Adjustments to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment	12	5,090,678	6,784,831
Amortisation of intangible assets	13	130,184	131,683
Reversal of provision for slow moving and obsolete inventories	8	(4,888,977)	-
Other receivables balance written off		-	148,859
Loss on disposal of property, plant and equipment	12	13,787	109,200
Movement in liability for unused vacation		1,631,625	472,769
Finance cost		(1,056,482)	(143,813)
Change in provision for expected credit loss	5	(13,061)	(53,809)
Working capital adjustments			
Decrease/(increase) in restricted cash		5,023,867	(5,197,276)
(Increase) in trade receivables		(1,757,345)	(3,074,452)
(Increase)/decrease in inventories		(3,534,325)	4,486,395
(Increase)/decrease in contract assets		(10,599,607)	25,636,692
(Increase) /decrease in other receivables and other current assets		(143,423)	11,664,737
Increase in contract liabilities		13,477,851	3,326,881
Increase/(decrease) in trade payables		6,503,540	(8,338,614)
Increase in other payables and expenses accrual		607,029	1,463,906
Cash generated from operating activities		**8,707,278**	**6,793,751**
Income taxes paid	15	-	(1,722,850)
Net cash generated from operating activities		**8,707,278**	**5,070,901**
Cash flows from investing activities:			
Purchase of property, plant and equipment	12	(1,015,122)	(252,701)
Purchase of intangible assets	13	(13,812)	(3,196)
Interest received		1,056,482	143,813
Net cash generated / (used in) investing activities		**27,548**	**(112,084)**
Cash flows from financing activities:			
Payment of lease liabilities	14	-	(237,188)
Net cash used in financing activities		**-**	**(237,188)**
Net increase in cash and cash equivalents		**8,734,826**	**4,721,629**
Movement in ECL for cash and cash equivalents	5	13,061	53,809
Cash and cash equivalents at the beginning of the year	5	**48,595,713**	**43,820,275**
Cash and cash equivalents at the end of the year	5	**57,343,600**	**48,595,713**

Notes on pages 10-39 are an integral part of these financial statements.

Rashad Shahmammadov
Acting General Manager

Ali Ozcan
Deputy General Manager on Finance

30 April 2026

	Note	Charter fund	Retained earnings	Total
As at 1 January 2024		**276,885**	**251,253,665**	**251,530,550**
Net loss for the year		-	(25,914,576)	(25,914,576)
As at 31 December 2024		**276,885**	**225,339,089**	**225,615,974**
Net profit for the year		-	215,847	215,847
As at 31 December 2025		**276,885**	**225,554,936**	**225,831,821**

Notes on pages 10-39 are an integral part of these financial statements.

Rashad Shahmammadov
Acting General Manager

Ali Ozcan
Deputy General Manager on Finance

30 April 2026