

“A-Group Insurance Company” OJSC

**International Financial Reporting standards
Financial Statements
for the Year ended 31 December 2024
*and Independent Auditor's Report***

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Statement of Management's Responsibilities for the Preparation and Approval of the Financial Statements for the Year Ended 31 December 2024

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 "A-Group Insurance Company" OJSC ("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 2024, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards ("IFRSs").

In preparing the financial statements, management is responsible for:

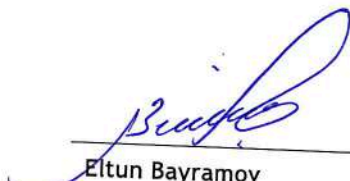
- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Preparing the financial 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 Republic of Azerbaijan;
- 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 2024 were authorised for issue on 6 October 2025 by:


Mammad Atakishiyev
Chairman of the Board


Eltun Bayramov
Chief Accountant

Independent auditor's report

To the shareholder and the supervisory board of "A-Group Insurance Company" OJSC

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Azerbaijan. We have also 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.

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 as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control system that is relevant for 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 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 consolidated financial statements or, if such disclosures are inappropriate, 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 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

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

Baku, Azerbaijan

6 October 2025

BDO Azerbaijan LLC

"A-Group Insurance Company" OJSC
Statement of financial position as at 31 December 2024
In Azerbaijani manats, unless otherwise indicated

	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and banks accounts	6	4,222,300	5,343,521
Deposits with banks	7	6,710,808	6,290,499
Investment in debt instruments	8	6,524,476	6,904,591
Reinsurance contract assets	9	1,406,729	2,034,876
Insurance contract assets	10	-	264,215
Property and equipment	11	305,491	187,998
Intangible assets	12	219,592	203,663
Investment property	13	4,057,050	2,393,840
Right-of-use assets	14	87,063	180,139
Income tax assets		74,101	118,345
Deferred tax assets	24	20,404	61,733
Other assets	15	938,218	538,044
TOTAL ASSETS		24,566,232	24,521,464
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	10	10,667,964	11,741,537
Lease liabilities	14	179,516	268,597
Reinsurance contract liabilities	9	-	449,539
Taxes payable other than income tax		64,313	100,035
Deferred tax liabilities	24	-	-
Other liabilities	16	204,220	440,822
Total liabilities		11,116,013	13,000,530
Equity			
Share capital	17	10,005,250	10,005,250
Revaluation reserve	17	184,286	38,126
Retained earnings		3,260,683	1,477,558
Total equity		13,450,219	11,520,934
TOTAL LIABILITIES AND EQUITY		24,566,232	24,521,464

Mammad Atakishiyev
Chairman of the Board



Eltun Bayramov
Chief Accountant

The notes set out on pages 10 to 44 are an integral part of these financial statements

"A-Group Insurance Company" OJSC

Statement of profit and loss and other comprehensive income for the year ended 31 December 2024
In Azerbaijani manats, unless otherwise indicated

	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023
Insurance revenue	18	17,705,044	25,021,796
Insurance service expenses	19	(13,427,633)	(18,007,265)
Net expenses from reinsurance contracts held	20	(1,076,280)	(2,120,835)
Insurance service result		3,201,131	4,893,696
Finance income / (expenses) from insurance contracts issued		669,283	(412,238)
Finance income / (expenses) from reinsurance contracts held		2,960	(162,481)
Net insurance finance income / (expenses)		672,243	(574,719)
Operating expenses	21	(4,320,399)	(4,865,457)
Interest income, net	22	697,486	504,245
Foreign exchange loss		17,508	(11,584)
Other income	23	380,547	284,866
Profit from insurance service		648,516	231,047
Revaluation of investment property	13	1,661,777	-
Rent income related to investment property		140,400	140,400
Profit before income tax		2,450,693	371,447
Income tax (expense) / credit	24	(77,133)	69,426
Net Profit for the year		2,373,560	440,873
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Revaluation of property and equipment		152,070	-
Other comprehensive income for the year, net of tax		152,070	-
Total comprehensive income, net of tax		2,525,630	440,873
Earnings per share (basic and diluted)	18	325.89	56.89

Mammad Atakishiyev
Chairman of the Board



Eltun Bayramov
Chief Accountant

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"A-Group Insurance Company" OJSC

Statement of changes in equity for the year ended 31 December 2024
In Azerbaijani manats, unless otherwise indicated

	Share capital	Revaluation reserve	Retained earnings	Total
1 January 2023	10,005,250	44,036	1,030,775	11,080,061
Net profit for the year	-	-	440,873	440,873
Other comprehensive loss for the year, net of tax	-	(5,910)	5,910	-
Dividends declared	-	-	-	-
31 December 2023	10,005,250	38,126	1,477,558	11,520,934
Net profit for the year	-	-	2,373,560	2,373,560
Other comprehensive loss for the year, net of tax	-	(5,910)	5,910	-
Revaluation of property and equipment	-	152,070	-	152,070
Dividends declared	-	-	(596,345)	(596,345)
31 December 2024	10,005,250	184,286	3,260,683	13,450,219

Mammad Atakishiyev
Chairman of the Board



Eltun Bayramov
Chief Accountant

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"A-Group Insurance Company" OJSC

Statement of cash flows for the year ended 31 December 2024

In Azerbaijani manats, unless otherwise indicated

	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023
Cash flows from operating activities			
Premiums received		17,431,487	21,370,607
Premiums paid		(1,378,031)	(2,223,922)
Claims paid		(13,628,755)	(13,903,475)
Reinsurance benefits received		1,124,945	743,607
Operating expenses paid		(4,364,178)	(5,951,436)
Commission paid		(696,220)	(1,340,497)
Interest received		331,592	549,665
Income tax paid		(87,280)	-
Other income received		353,552	230,291
Net cash (outflow)/inflow from operating activities		(912,888)	(525,160)
Cash flows from investing activities			
Investment in deposit with banks		(500,000)	550,000
Investment in financial assets at amortised cost		349,918	(849,918)
Sale of property and equipment		15,000	8,000
Purchase of property and equipment		(38,763)	-
Purchase of intangible assets		(36,094)	-
Net cash outflow from investing activities		(209,939)	(291,918)
Cash flows from financing activities			
Dividends paid		(566,528)	-
Lease payment received		140,400	140,400
Net cash inflow / (outflow) from financing activities		(426,128)	140,400
Effect of foreign exchange difference on cash and cash equivalents		(1,521)	(18,488)
Net decrease in cash and cash equivalents		(1,550,476)	(695,166)
Change in impairment provision		429,255	-
Cash and cash equivalents as of 1 January	6	5,343,521	6,038,687
Cash and cash equivalents as of 31 December	6	4,222,300	5,343,521

Mammad Atakishiyev
Chairman of the Board



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Chief Accountant

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