



# LEGION FINANCIAL



Azərbaycan Respublikasının  
Mərkəzi Bankına

“Legion Financial” ASC nin 2024 ci il üzrə illik idarəetmə hesabatını və kənar audit hesabatını sizə təqdim edirik

Qoşma – 2024 ci il üzrə illik idarəetmə hesabatı və kənar audit hesabatı əlavə edilmişdir

“Legion Financial” ASC nin direktoru

B.M.Məmmədov



**“Legion Financial” ASC-nin 2024-cü il üzrə illik idarəetmə hesabatının  
tərkibi aşağıdakılardan ibarətdir**

1. Emitentin tam və qısaldılmış adı, vergi ödəyicisinin eyniləşdirmə nömrəsi, (VÖEN), dövlət qeydiyyatının tarixi və nömrəsi	“Legion Financial” Açıq Səhmdar Cəmiyyəti, “Legion Financial” ASC, VÖEN: 2006222901 12.06.2020-ci il tarixində İqtisadiyyat Nazirliyi yanında Dövlət Vergi Xidmətinin Milli Gəlirlər Baş İdarəsinin Hüquqi şəxslərin dövlət qeydiyyatı idarəsi tərəfindən qeydiyyata alınmışdır.
2. Emitentin hüquqi ünvanı və olduğu yer	Hüquqi və faktiki ünvan: Azərbaycan Respublikası, Bakı şəhəri, Yasamal rayonu, Həsənbəy Zərdabi prospekti ev 25A.
3. Emitentin adında dəyişikliklər olduqda, emitentin bütün əvvəlki adları, habelə onların qeydiyyata alındığı tarixlər, emitent digər hüquqi şəxsin bölünməsi və ya tərkibindən ayrılması şəklinə yenidən təşkil yolu ilə yaradıldıqda, yenidən təşkilin forması, həmin hüquqi şəxsin adı, emitent hüquqi şəxslərin birləşməsi və ya çevrilmə şəklinə yenidən təşkil yolu ilə yaradıldıqda, yenidən təşkilin forması, həmin hüquqi şəxslərin adları	Emitentin təşkilati-hüquqi forması Məhdud Məsuliyyətli Cəmiyyətdən Açıq Səhmdar Cəmiyyətə çevrilmiş, bu dəyişiklik 29.11.2023-cü il tarixində dövlət qeydiyyatına alınmışdır.
4. Emitentin hesabat dövrü ərzində yaranmış və ləvğ edilmiş filialları və nümayəndəliklərinin adı, olduqları yer və qeydiyyatları haqqında məlumat	
5. Emitentin hesabat dövrü ərzində yaranmış və ya ləğv edilmiş hər bir törəmə cəmiyyətinin adı, təşkilati-hüquqi forması, hüquqi ünvanı, qeydiyyatı haqqında məlumatlar, nizamnamə kapitalında emitentin payı, hüquqi şəxsin emitentin törəmə cəmiyyəti hesab olunması üçün əsas olan müqavilənin bağlanma tarixi və qüvvədə olma müddəti	
6. Emitent şirkətlər qrupunun bir hissəsi olduğu təqdirdə qrupun (emitent daxil olmaqla iqtisadiyyatın müxtəlif sahələrində fəaliyyət göstərən bir və ya daha artıq törəmə təşkilatı olan qrupdur) adı	Emitent şirkətlər qrupuna daxil deyil.
7. Emitentin məşğul olduğu fəaliyyət istiqamətləri	Maliyyə lizinqi, lombard fəaliyyəti, maliyyə vasitəçiliyinə münasibətdə yardımçı hesab edilən digər fəaliyyət növləri
8. Emitent lisenziya və ya icazəyə malik olduqda, onlar üzrə fəaliyyət növləri və qüvvədə olma müddətləri	Yoxdur.
9. Emitentin təklif etdiyi məhsullar və xidmətlər;	Minik avtomobillərinin maliyyə lizinqi, lombard kreditləri

10. Emitentin işçilərinin sayı və onun rüblük dinamikası	2024-cü ilin 1-ci rübü – 1 nəfər 2024-cü ilin 2-ci rübü – 5 nəfər 2024-cü ilin 3-cü rübü – 8 nəfər 2024-cü ilin 4-cü rübü – 9 nəfər
11. Emitentin idarəetmə orqanları haqqında məlumat: direktorlar şurası (müşahidə şurası) (olduqda), icra orqanı, audit komitəsi (olduqda), onların üzvlərinin adı, soyadı, atasının adı	Direktor – Məmmədov Böyükağa Mirkamal oğlu
12. Emitentin fiziki və hüquqi şəxs olan səhmdarlarının (payçılarının) ayrılıqda sayı	Hüquqi şəxslər – 0 Fiziki şəxslər - 5
13. Emitentin nizamnamə kapitalının beş faizi və daha artıq həcmdə səsli səhmlərinə (paylara) malik olan şəxslər (fiziki şəxsin soyadı, adı, atasının adı; hüquqi şəxsin adı, olduğu yer və VÖEN-i), onların hər birinə məxsus olan səhmlərin sayı (səhmlərin hər növü üzrə ayrı-ayrılıqda göstərilir) və emitentin nizamnamə kapitalında payı	İsmayılov Turan Mübariz oğlu – 13950 adi səhm (39.5184%) Süleymanlı Ramin Rəhman oğlu – 11500 adi səhm (31.5864%) Soltanov Rövşən Rafiq oğlu – 3700 adi səhm (10.4816%) Məmmədov Böyükağa Mirkamal oğlu – 4600 adi səhm (13.0312%) Kolas Konstantin – 1900 adi səhm (5.3824%)
14. Nizamnamə kapitalında emitentin payı beş faizdən az olmayan hüquqi şəxslər (hüquqi şəxsin adı, olduğu yer, VÖEN-i, nizamnamə kapitalında emitentin payı)	Yoxdur.
15. Emitentin səhmdarlarının (payçılarının) hesabat dövrü ərzində keçirilmiş yığıncaqları barədə məlumat:	<ol style="list-style-type: none"> <li>19.01.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan məsələ Cəmiyyətin səhmlərinin buraxılışı və kütləvi təklifi olub.</li> <li>04.03.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan məsələ Cəmiyyətin səhmdarlarına 2023 cü il üçün dividend ödənişi olub.</li> <li>18.03.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan məsələ Cəmiyyətin səhmlərinin buraxılışı və kütləvi təklifi olub.</li> <li>16.04.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan məsələ Cəmiyyətin istiqrazlarının buraxılışı və kütləvi təklifi olub.</li> <li>26.06.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan məsələ nizamnamə kapitalının artırılması ilə bağlı olaraq Cəmiyyətin nizamnaməsinə dəyişiklik edilməsi olub.</li> <li>18.07.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan</li> </ol>



	<p>məsələ Cəmiyyətin səhmlərinin buraxılışı və kütləvi təklifi olub.</p> <p>7) 26.07.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan məsələ Cəmiyyətin 2024-cü ilin 6 aylıq hesabatının təsdiqi olub.</p> <p>8) 04.10.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan məsələ nizamnamə kapitalının artırılması ilə bağlı olaraq Cəmiyyətin nizamnaməsinə dəyişiklik edilməsi olub.</p> <p>9) 20.11.2024-cü il tarixində Səhmdarların ümumi yığıncağı keçirilib. Yığıncağın gündəliyində olan məsələ Cəmiyyətin səhmlərinin və istiqrazlarının buraxılışı və kütləvi təklifi olub.</p>
16. Yığıncağın keçirilmə tarixi və yeri (ünvan)	Cəmiyyətin səhmdarlarının yığıncaqlarının hər biri yuxarıda göstərilmiş tarixlərdə Bakı şəhəri, Yasamal rayonu, Həsənbəy Zərdabi prospekti ev 25A ünvanında keçirilmişdir.
17. Ümumi yığıncaqda qəbul edilmiş qərarlar.	<p>1) Cəmiyyətin nizamnamə kapitalını təşkil edən ümumi məbləği 95000 manat, hər birinin nominal dəyəri 100 manat olan 950 ədəd adi adlı sənədsiz səhmlərin buraxılışı haqda qərar qəbul edilmişdir.</p> <p>2) Cəmiyyətin 616332.49 manat məbləğində bölüşdürülməmiş mənfəətinin dividend şəklində bölüşdürülməsi haqda qərar qəbul edilmişdir.</p> <p>3) Cəmiyyətin nizamnamə kapitalını təşkil edən ümumi məbləği 1300000 manat, hər birinin nominal dəyəri 100 manat olan 13000 ədəd adi adlı sənədsiz səhmlərin buraxılışı haqda qərar qəbul edilmişdir.</p> <p>4) Ümumi məbləği 1000000 manat, hər birinin nominal dəyəri 1000 manat olan 1000 ədəd faizli, təminatlı, adlı, sənədsiz istiqrazların buraxılışı haqda qərar qəbul edilmişdir.</p> <p>5) Nizamnamə kapitalının artırılması ilə əlaqədar olaraq Cəmiyyətin nizamnaməsinə dəyişiklik layihəsinin təsdiq edilməsi və dövlət qeydiyyat orqanına təqdim edilməsi haqda qərar qəbul edilmişdir.</p> <p>6) Cəmiyyətin nizamnamə kapitalını təşkil edən ümumi məbləği 1000000 manat, hər birinin nominal dəyəri 100 manat olan 10000 ədəd adi adlı sənədsiz səhmlərin buraxılışı haqda qərar qəbul edilmişdir.</p> <p>7) Cəmiyyətin 2024-cü ilin 6 aylıq hesabatlarının təsdiq edilməsi haqda qərar qəbul edilmişdir.</p>

	<p>8) Nizamnamə kapitalının artırılması ilə əlaqədar olaraq Cəmiyyətin nizamnaməsinə dəyişiklik layihəsinin təsdiq edilməsi və dövlət qeydiyyat orqanına təqdim edilməsi haqda qərar qəbul edilmişdir.</p> <p>9) Cəmiyyətin nizamnamə kapitalını təşkil edən ümumi məbləği 605000 manat, hər birinin nominal dəyəri 100 manat olan 6050 ədəd adi adlı sənədsiz səhmlərin və ümumi məbləği 2000000 manat, hər birinin nominal dəyəri 1000 manat olan 2000 ədəd faizli, təminatlı, adlı, sənədsiz istiqrazların buraxılışı haqda qərar qəbul edilmişdir.</p>
18. Emitentin dövriyyədə olan investisiya qiymətli kağızlarının buraxılışları haqqında məlumat (investisiya qiymətli kağızların hər buraxılışı ayrı-ayrılıqda göstərilir):	<p>1) 08.05.2023-cü il tarixli AZ2001025462 sayılı qeydiyyat nömrəsi ilə qeydiyyatdan keçən hər birinin nominal dəyəri 1000 manat olan 500 ədəd sənədsiz adlı faizli təmin edilməmiş istiqrazlar</p> <p>2) 12.09.2023-cü il tarixli AZ2002025461 sayılı qeydiyyat nömrəsi ilə qeydiyyatdan keçən hər birinin nominal dəyəri 1000 manat olan 500 ədəd sənədsiz adlı faizli təmin edilməmiş istiqrazlar</p> <p>3) 06.02.2024-cü il tarixli AZ1001025464 sayılı qeydiyyat nömrəsi ilə qeydiyyatdan keçən hər birinin nominal dəyəri 100 manat olan 950 ədəd sənədsiz adlı adi səhmlər.</p> <p>4) 25.06.2024-cü il tarixli AZ1001025464 sayılı qeydiyyat nömrəsi ilə qeydiyyatdan keçən hər birinin nominal dəyəri 100 manat olan 7950 ədəd sənədsiz adlı adi səhmlər.</p> <p>5) 03.10.2024-cü il tarixli AZ1001025464 sayılı qeydiyyat nömrəsi ilə qeydiyyatdan keçən hər birinin nominal dəyəri 100 manat olan 3950 ədəd sənədsiz adlı adi səhmlər.</p>
19. İnvestisiya qiymətli kağızın növü və forması	Sənədsiz adlı adi səhmlər və sənədsiz adlı faizli təmin edilməmiş istiqrazlar
20. İnvestisiya qiymətli kağızlarının buraxılışının dövlət qeydiyyat nömrəsi və qeydiyyat tarixi	<p>08.05.2023 - AZ2001025462</p> <p>12.09.2023 - AZ2002025461</p> <p>06.02.2024 – AZ1001025464</p> <p>25.06.2024 – AZ1001025464</p> <p>03.10.2024 – AZ1001025464</p>
20.1 İnvestisiya qiymətli kağızların miqdarı və nominal dəyəri	<p>08.05.2023 - AZ2001025462 – 500 ədəd, nominal 1000 manat olan sənədsiz adlı faizli təmin edilməmiş istiqrazlar</p> <p>12.09.2023 - AZ2002025461 – 500 ədəd, nominal 1000 manat olan sənədsiz adlı faizli təmin edilməmiş istiqrazlar</p> <p>06.02.2024 – AZ1001025464 - 950 ədəd, nominal 100 manat olan sənədsiz adlı adi səhmlər</p> <p>25.06.2024 – AZ1001025464 - 7950 ədəd, nominal 100 manat olan sənədsiz adlı adi səhmlər</p>

	03.10.2024 – AZ1001025464 - 3950 ədəd, nominal 100 manat olan sənədsiz adlı adi səhmlər
21. İnvestisiya qiymətli kağızlar buraxılışının məcmu nominal dəyəri	Səhmlər üzrə məcmu nominal dəyər – hər birinin nominalı 100 (bir yüz) manat olan 35300 (otuz beş min üç yüz) ədəd səhm, cəmi 3530000 manat İstiqrazlar üzrə məcmu nominal dəyər - hər birinin nominalı 1000 (bir min) manat olan 1000 ədəd faizli istiqraz, cəmi 1000000 manat
22. Hesabat ili ərzində emitent tərəfindən səhmlər üzrə ödənilmiş dividendlər haqqında məlumat (hesabat ilində səhmlərin hər növü üzrə ödənilmiş dividendlərin məbləği göstərilir)	Adi səhmlər üzrə - 616332.49 manat
23. Faizli istiqrazlar buraxılışı haqqında məlumatda - istiqrazlar üzrə gəlirliyin illik faiz dərəcəsi	Dövrüyyədə olan istiqrazlar üzrə illik gəlirlik 15% təşkil edir.
24. İnvestisiya qiymətli kağızların yerləşdirildiyi və ya tədavüldə olduğu fond birjasının adı və olduğu yer (olduqda)	2024-cü il ərzində yerləşdirilmiş istiqrazlar MDM də qeydiyyatdan keçmişdir, Bakı Fond Birjasında tədavüldədir.
25. Emitent tərəfindən bağlanmış xüsusi əhəmiyyətli əqdlər barədə məlumatlar:	Olmayıb
26. Əqdin məbləği	Olmayıb
27. Hesabat tarixinə əqdin ödənilməmiş hissəsi	Olmayıb
28. Emitent tərəfindən aidiyyəti şəxslərlə bağlanmış əqdlər barədə məlumatlar	
29. Bağlanmış əqdin mahiyyəti, tarixi və məbləği	
30. Aidiyyəti olan şəxs barədə məlumat və emitentlə aidiyyət əlaqəsi	İsmayılov Turan Mübariz oğlu – təsisçi
31. İllik hesabatın təsdiq edildiyi ümumi yığıncağın tarixi;	21.05.2025 tarixli 19 sayılı Səhmdarların ümumi yığıncağının protokolu
32. hesabatın açıqlanma mənbəyi haqqında məlumat.	Legion Financial ASC nin rəsmi internet sahifəsində, sosial şəbəkələrdə və xəbər saytlarında. <a href="https://legion.az/hesabatlar">https://legion.az/hesabatlar</a>

“Legion Financial” ASC-nin direktoru  
B.M. Məmmədov





# THE POWER OF BEING UNDERSTOOD

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**“Legion Financial” Open Joint Stock Company**

**For the year ended December 31, 2024  
Consolidated financial statements and  
Independent Auditor’s Report**

## CONTENTS

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### Pages

Statement of management's responsibilities for the preparation and approval of the international consolidated financial statement.....	1
Independent Auditor's Report .....	2-3
<b>Consolidated financial statements for the year ended December 31,2024</b>	
Consolidated statement of financial position.....	4
Consolidated statement of profit or loss and other comprehensive income .....	5
Consolidated statement of changes in equity.....	6
Consolidated statement of cash flows.....	7
Notes to the consolidated financial statements .....	8-40



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

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The following statement is made with a view to distinguishing respective responsibilities of the management and those of the independent auditors in relation to the International Financial Reporting Standards ("IFRSs") consolidated financial statements of "Legion Financial" Open Joint Stock Company (the "Company") and its subsidiary (collectively referred to as the "Group").

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of the Group as at December 31, 2024, the results of its operations, cash flows and changes in equity for the year ended, in accordance with International Financial Reporting Standards ("IFRS").

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 have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Preparing the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group 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 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 IFRS;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the country where the Group operates;
- 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 5, 2025 by the Management of the Group.

On behalf of the Management:

**Boyukagha Mammadov**  
**Director**



**INDEPENDENT AUDITOR'S REPORT**

To the Shareholder and Management of "Legion Financial" Open Joint Stock Company:

**Qualified opinion**

We have audited the consolidated financial statements of "Legion Financial" Open Joint Stock Company (the "Company") and its subsidiary (together referred to as the "Group") for the year ended December 31, 2024, 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, 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 a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the "Basis for qualified opinion" paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

**Basis for qualified opinion**

Investment property, with a carrying amount of AZN 1,790,677 out of AZN 2,233,799 represents the subsidiary's properties. We are unable to satisfy ourselves about initial recognition and subsequent measurement of the subsidiary's properties, which are categorized as investment property, and their subsequent effect on both consolidated statement of financial position and consolidated statement of profit or loss.

We conducted the audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical standards relating to the audit of financial statements and the requirements of the International Ethical Standards Board of Accountants "Code of Ethics" (the ISE Code), and we have fulfilled our other ethical obligations in accordance with these requirements, as well as the requirements of the ISE Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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



## **Auditors' 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 scepticism 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.

May 5, 2025

Baku, Azerbaijan Republic



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

	Note	December 31, 2024	December 31, 2023
<b>Assets</b>			
Cash and cash equivalents	7	116,056	22,414
Net investment in finance lease	8	10,051,314	4,727,467
Property and equipment	9	101,346	882
Investment properties	10	2,233,799	-
Deposits placed at banks	11	855,360	-
Debt instruments measured at amortized cost	12	274,641	-
Right-of use asset	13	83,615	-
Deferred tax asset	21	31,631	-
Other assets		23,290	-
<b>Total assets</b>		<b>13,771,052</b>	<b>4,750,763</b>
<b>Equity</b>			
Charter capital	22	3,530,000	2,245,000
Retained earning		1,213,932	616,333
<b>Total equity</b>		<b>4,743,932</b>	<b>2,861,333</b>
<b>Liabilities</b>			
Securities in issue	14	922,000	995,000
Term borrowings	15	5,233,741	734,683
Borrowings from shareholder	16	2,471,000	30,331
Corporate income tax liability		236,861	101,101
Lease liability	13	87,041	-
Other liability	17	76,477	28,315
<b>Total liabilities</b>		<b>9,027,120</b>	<b>1,889,430</b>
<b>Total liabilities and equity</b>		<b>13,771,052</b>	<b>4,750,763</b>

Approved for issue and signed on behalf of the Management on May 5, 2025.



**Boyukagha Mammadov**  
**Director**

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

	Note	Year ended December 31, 2024	Year ended December 31, 2023
Interest income	18	2,213,337	893,129
Interest expense	18	(734,911)	(132,740)
<b>Net margin on interest income</b>		<b>1,478,426</b>	<b>760,389</b>
ECL charge on financial assets	8	(154,731)	-
<b>Net interest income after credit loss expense</b>		<b>1,323,695</b>	<b>760,389</b>
Fee and commission income		154,285	42,705
Gain from concession	13	50,160	-
Other income	18	197,973	-
<b>Non-interest income</b>		<b>402,418</b>	<b>42,705</b>
Administrative expenses	20	(188,766)	(32,650)
Forex losses		(2,601)	-
<b>Non-interest expenses</b>		<b>(191,367)</b>	<b>(32,650)</b>
<b>Profit before tax</b>		<b>1,534,746</b>	<b>770,444</b>
Corporate income tax	21	(320,814)	(154,112)
<b>Profit for the year</b>		<b>1,213,932</b>	<b>616,332</b>
<b>Total comprehensive income for the year</b>		<b>1,213,932</b>	<b>616,332</b>

Approved for issue and signed on behalf of the Management on May 5, 2025.



**Boyukagha Mammadov**  
**Director**

**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

	Charter capital	Retained earning	Total equity
<b>Balance at December 31, 2022</b>	<b>1,430,100</b>	<b>299,216</b>	<b>1,729,316</b>
Additional paid-in capital	814,900	-	814,900
Dividends declared	-	(299,215)	(299,215)
Total comprehensive income for the year	-	616,332	616,332
<b>Balance at December 31, 2023</b>	<b>2,245,000</b>	<b>616,333</b>	<b>2,861,333</b>
Additional paid-in capital	1,285,000	-	1,285,000
Dividends declared	-	(616,333)	(616,333)
Total comprehensive income for the year	-	1,213,932	1,213,932
<b>Balance at December 31, 2024</b>	<b>3,530,000</b>	<b>1,213,932</b>	<b>4,743,932</b>

Approved for issue and signed on behalf of the Management on May 5, 2025.



**Boyukagha Mammadov**  
Director



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
<b>Cash flows from operating activities</b>			
Profit before tax		1,534,746	770,444
Depreciation of property plant and equipment	9	17,247	1,141
Depreciation of right-of use asset	13	42,576	-
Credit loss allowance	8	154,731	-
Loss on write-off property, plant and equipment		-	1,931
Gain from concession	13	(50,160)	-
Net forex loss		2,601	-
Interest income	17	(2,213,337)	(893,129)
Interest expense	17	734,911	132,740
<b>Cash inflows from operating activities before changes in operating assets and liabilities</b>		<b>223,315</b>	<b>13,127</b>
<b>Changes in operating assets and liabilities</b>			
Net investment in finance lease	8	(5,391,730)	(2,573,049)
Other assets		(23,290)	-
Other liabilities	17	48,162	27,972
<b>Net cash used in from operating activities before tax</b>		<b>(5,143,543)</b>	<b>(2,531,950)</b>
Corporate income tax paid		(216,685)	(112,422)
Interest received		2,096,187	858,390
Interest paid		(729,071)	(128,105)
<b>Net cash used in operating activities</b>		<b>(3,993,112)</b>	<b>(1,914,087)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	9	(117,711)	-
Purchases of investment properties	10	(2,233,799)	-
Proceeds from debt instruments measured at amortized cost	12	(3,101,300)	-
Payments of debt instruments measured at amortized cost	12	2,849,000	-
Proceeds from deposit placed at banks	11	(850,000)	-
<b>Net cash used in investing activities</b>		<b>(3,453,810)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Issue of charter capital	22	1,285,000	814,900
Dividends paid	22	(616,333)	(299,215)
Proceeds from securities in issue	14	177,000	1,000,000
Repayment of securities in issue	14	(250,000)	(5,000)
Proceeds from term borrowings	15	8,710,000	2,142,000
Repayment of term borrowings	15	(4,206,103)	(1,758,037)
Proceeds from borrowings provided by shareholder	16	3,810,000	30,000
Payments of borrowings from shareholder	16	(1,369,000)	-
<b>Net cash inflow from financing activities</b>		<b>7,540,564</b>	<b>1,924,648</b>
<b>Net increase in cash and cash equivalents</b>		<b>93,642</b>	<b>10,561</b>
<b>Cash and cash equivalents, at the beginning of the year</b>	7	<b>22,414</b>	<b>11,853</b>
<b>Cash and cash equivalents, at the end of the year</b>	7	<b>116,056</b>	<b>22,414</b>

Approved for issue and signed on behalf of the Management on May 5, 2025.

  
**Boyukagha Mammadov**  
**Director**

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**1. The Group and its operations**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2024 for “Legion Financial” OJSC (the Group).

The society was founded in the Republic of Azerbaijan on June 12, 2020 and operates in this country. The Group was registered by the General Administration of Taxes of the Republic of Azerbaijan No. 2 with the registration number 2006222901 and has been operating in the Republic of Azerbaijan since its inception. The Group is a limited liability company established in accordance with the legislation of the Republic of Azerbaijan.

**Principal activity of:** The Company's primary objectives and areas of operation consist of providing automobile vehicle leasing services, extending pawnshop loans to individuals, and conducting commercial transactions related to the purchase and sale of real estate properties in the Republic of Azerbaijan.

**Legal address of the Group:** AZ1100, Baku, Yasamal district, Hasanbek Zardabi 25A.

Information about the Group's shareholders as of December 31, 2024 and December 31, 2023 is presented below:

Shareholder	31 December 2024, %	31 December 2023, %
Ismayılov Turan Mubariz	40%	58%
Suleymanlı Ramin Rahman	32%	25%
Soltanov Rovshan Rafiq	10%	11%
Mammadov Boyukagha Mirkamal	13%	6%
Kolas Konstantin	5%	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Information about subsidiary**

“Legion Financial” OJSC's major subsidiary included in the consolidation as at and for the year ended December 31, 2024 is as follows:

Name of Company	Nature of business	Group's equity interest
“Finoko - USA” LLC	Real estate management	100%

“Finoko - USA” LLC was established on August 31, 2023. The company's registration number is 7649955. The company's primary activity is real estate management. The company operates in the USA and is registered in the state of Delaware.

**Legal address of the Company:** AZ1073, Baku, Yasamal district, Ismayil bek Kutkashensky 36.

**2. Operating environment of the Group**

Azerbaijan's economy, like many emerging markets, continues to be influenced by global economic conditions, government policies, and fluctuations in energy prices. While the country remains focused on economic diversification, maintaining stability in key sectors is crucial for long-term growth. The future trajectory of Azerbaijan's economy largely depends on the effectiveness of fiscal and monetary policies, as well as crude oil prices and the stability of the national currency.



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**2. Operating environment of the Group (continued)**

In 2024, Azerbaijan's GDP reached AZN 126,3 billion (USD 74,3 billion), reflecting a 2.7% growth compared to the previous year. Throughout 2024, economic performance was shaped by both external and domestic factors. Although fluctuations in global commodity prices and geopolitical uncertainties presented challenges, Azerbaijan benefited from a favorable trade environment. The country maintained a strong foreign trade turnover, recording a trade surplus of USD 5.5 billion in 2024.

Strategic foreign exchange reserves saw a notable increase, reaching USD 10.9 billion by November 2024, surpassing internationally recognized sufficiency levels and reinforcing the stability of the Azerbaijani manat.

The Central Bank of Azerbaijan continued its efforts to manage inflation and ensure macroeconomic stability. In 2023, the annual inflation rate stood at 9.5%, but by the end of 2024, inflation had eased to 4.9%, aligning with the Central Bank's target range of 4±2%. Key price changes included a 5.5% increase for food, 2.4% for non-food products, and 6.3% for services. To further support price stability, the refinancing rate was adjusted to 7.25% by the end of 2024, down from 8% in 2023.

International credit rating agencies continued to assess Azerbaijan's economic outlook. In 2023, Fitch and S&P assigned a “BB+” rating to Azerbaijan, while Moody's maintained a Ba1 rating. In 2024, these assessments reflected stronger confidence in Azerbaijan's fiscal policies and external balances. “Fitch Ratings” upgraded Azerbaijan to BBB-, citing sound fiscal management and positive economic fundamentals. Moody's revised its outlook to “positive” (Ba1, “positive”), while S&P reaffirmed its BB+/B rating with a stable outlook.

Despite these positive economic indicators, uncertainties remain. External risks, including fluctuations in global energy prices, geopolitical developments, and inflationary pressures, may impact financial stability. However, the ongoing implementation of economic policies and monetary measures is expected to help mitigate these risks.

The Group remains vigilant in monitoring macroeconomic trends to safeguard financial resilience and ensure long-term sustainability. As economic conditions evolve, management is prepared to adapt strategies proactively to maintain stability and support sustainable growth.

**3. Material accounting policy information**

**Basis of preparation**

These Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

**Basis of consolidation**

The consolidated financial statements incorporate the consolidated financial statements of the Group and its subsidiaries (entities controlled by the Group). Control is achieved where the Group has the power to govern the financial and operating policies of an Group so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**3. Material accounting policy information (continued)**

**Basis of consolidation (continued)**

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

**Financial instruments - key measurement terms**

*Fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

A portfolio of other financial assets and liabilities that are not traded in an active market is measured at the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (i.e. an asset) for a particular risk exposure or paid to transfer a net short position (i.e. a liability) for a particular risk exposure in an orderly transaction between market participants at the measurement date. This is applicable for assets carried at fair value on a recurring basis if the Group: (a) manages the group of financial assets and financial liabilities on the basis of the entity's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the entity's documented risk management or investment strategy; (b) it provides information on that basis about the group of assets and liabilities to the entity's key management personnel; and (c) the market risks, including duration of the entity's exposure to a particular market risk (or risks) arising from the financial assets and financial liabilities are substantially the same.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to fair value certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 24.

*Transaction costs* are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**3. Material accounting policy information (continued)**

**Financial instruments - key measurement terms (continued)**

*Amortized cost (AC)* is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortized discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

*The effective interest method* is a method of allocating interest income or interest expense over the relevant period so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument.

**Financial instruments – initial recognition**

Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the timeframe established by regulation or market convention (“regular way” purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

**Financial assets – classification and subsequent measurement – measurement categories**

The Group classifies and measures financial assets at AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Group’s business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

**Financial assets – classification and subsequent measurement – business model**

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group’s objective is: (i) solely to collect the contractual cash flows from the assets (“hold to collect contractual cash flows”), or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets (“hold to collect contractual cash flows and sell”) or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of “other” business model and measured at FVTPL. Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets’ performance is assessed. Refer to Note 4 for critical judgements applied by the Group in determining the business models for its financial assets.

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**3. Material accounting policy information (continued)**

**Financial assets – classification and subsequent measurement – cash flow characteristics**

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest (“SPPI”).

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed. Refer to Note 4 for critical judgements applied by the Group in performing the SPPI test for its financial assets.

**Financial assets – reclassification**

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Group did not change its business model during the current and comparative period and did not make any reclassifications.

**Financial assets – derecognition**

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

**Financial liabilities – measurement categories**

Financial liabilities are classified as subsequently measured at AC.

**Financial liabilities – derecognition**

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

**Inception of the lease**

The inception of the lease is considered the date of the lease agreement, or the date of commitment, if earlier. For purposes of this definition, a commitment shall be in writing, signed by the parties involved in the transaction, and shall specifically set forth the principal terms of the transaction.

**Commencement of the lease term**

The commencement of the lease term is the date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease.



**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**3. Material accounting policy information (continued)**

**Lease classification**

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. All other leases are operating leases.

**Finance lease receivables/Finance income recognition**

The Group records finance lease receivables in the amount equal to the net investment in the lease. Net investment in the lease is calculated as the aggregate of the minimum lease payments, representing the amounts guaranteed by the lessee and any unguaranteed residual value (together gross investment in the lease), discounted at the interest rate implicit in the lease. The interest rate implicit in the lease is the discount rate that, at the inception of the lease, causes the present value of the gross investment in the lease to be equal to the fair value of the leased asset.

The difference between the gross investment in the lease and the net investment in the lease represents unearned finance income. The unearned finance income is amortised over the lease term using the discount rate implicit in the lease. Incremental costs directly attributable to negotiating and arranging the lease are included in the initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term unless the Group acts as manufacturer or dealer lessor, in which case such costs are expensed as part of selling profit similarly to outright sales. Initial direct costs incurred by lessors include amounts such as commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging a lease. They exclude general overheads such as those incurred by sales and marketing team. For finance leases initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. Insurance payments made by lessor and not reimbursed by lessees are adjusted against minimum lease payments.

Finance lease receivables also include equipment under installation if all the significant risks and rewards of ownership of lease assets are transferred to counterparties. Payments received by the Group from the lessee before the installation date of the lease assets are recorded as principal repayment. The Group starts to accrue interest income from the date of final installation of equipment.

Any advances made to the supplier after the date of the inception of the lease and before the date of commencement of the lease term, are recorded as prepayments within other assets. Payments received by the Group from the lessee before the commencement of the lease term are recorded as advances received within advances from lessees and other liabilities. Such amounts are adjusted against finance lease receivables on the date of commencement of the lease term.

**Equipment for leasing**

Equipment for leasing represents equipment purchased to be subsequently transferred into leasing and is stated at cost. If there is a difference between cost and fair value of the equipment at the date of inception of the lease, a gain or loss is recognised when the equipment is reclassified into finance lease receivables on the date of commencement of the lease term.

**Cash and cash equivalents**

Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash on hand and all interbank placements with original maturities of less than three months. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents, both in the statement of financial position and for the purposes of the statement of cash flows. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**3. Material accounting policy information (continued)**

**Reposessed collateral**

Reposessed collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Group’s intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

**Other bases of presentation criteria**

These consolidated financial statements are presented in Azerbaijani Manats (“AZN”), unless otherwise indicated. The consolidated financial statements have been prepared under the historical cost convention, except investment properties which are stated at fair value as deemed cost.

The adoption of IFRS has resulted in changes to the Group’s accounting policies. The amended accounting policies are:

**Properties and equipment**

Properties are stated at cost less accumulated depreciation and provision for impairment, where required.

Costs of minor repairs and day-to day maintenance are expensed when incurred. The cost of replacing major parts or components of properties and equipment items are capitalised and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of properties and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset’s fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset’s value in use or fair value less costs to sell.

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss for the year (within other operating income or expenses).

**Depreciation**

Depreciation of properties and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

	Useful lives in years
Computers and communication equipment	4 years
Furniture, fixtures and other	5 years

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group expects to use the asset until the end of its physical life. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each period end date.



**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**3. Material accounting policy information (continued)**

**Investment properties**

Investment properties comprises completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment properties when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

The following are examples of investment properties:

- land held for long-term capital appreciation rather than for short-term sale in the ordinary course of business;
- land held for a currently undetermined future use. (If the group has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation.);
- a building owned by the group (or a right-of-use asset relating to a building held by the group) and leased out under one or more operating leases;
- a building that is vacant but is held to be leased out under one or more operating leases;
- property that is being constructed or developed for future use as investment properties.

Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment properties at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these consolidated financial statements, in order to avoid double-counting, the fair value reported in the consolidated financial statements is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments;
- In case of investment properties held under a lease: increased by the carrying amount of any liability to the head lessor that has been recognised in the statement of financial position as a finance lease obligation.

Transfers are made to (or from) investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Investment properties are derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

**Term borrowings**

Borrowed funds include loans from resident and non-resident banks and other financial institutions with fixed maturities and fixed interest rates. Borrowed funds are subsequently carried at amortised cost.



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**3. Material accounting policy information (continued)**

**Securities in issue**

Securities in issue include bonds issued by the Group. Securities are carried at amortised cost.

**Lease agreements**

**Accounting for leases by the Group as a lessee**

The Group leases office premises. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is recognised at cost and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease Incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

In determining the lease term, management of the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

When assets are leased out under an operating lease, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term.

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**3. Material accounting policy information (continued)**

**Income taxes**

Income taxes have been provided for in the consolidated financial statements in accordance with Azerbaijani legislation enacted or substantively enacted by the period end date. The income tax charge comprises current tax and deferred tax and is recognised in the income statement, except if it is recognised directly in equity because it relates to transactions that are also recognised, in the same or a different period, directly in equity.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits for the current and prior periods. Taxable profits are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes, other than on income, are recorded within administrative and operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

**Uncertain tax positions**

The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

**Interest income and expense recognition**

Interest income and expense are recorded in profit or loss for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the Group relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at FVTPL.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest revenue is calculated by applying the effective interest rate to their AC, net of the ECL provision, and (ii) financial assets that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the AC.



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**3. Material accounting policy information (continued)**

**Foreign currency translation**

The functional currency of the Group is the currency of the primary economic environment in which the entity operates. The functional currency of the Group and the Group's presentation currency is the national currency of the Republic of Azerbaijan, Azerbaijani Manats ("AZN").

Monetary assets and liabilities are translated into Group's functional currency at the official exchange rate of the CBAR at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into Group's functional currency at year-end official exchange rates of the CBAR are recognised in profit or loss for the year (as foreign exchange translation gains less losses). Translation at year-end rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on the fair value of equity securities are recorded as part of the fair value gain or loss.

At December 31, 2024, the rate of exchange used for translating foreign currency balances denominated in United States dollars ("USD") was USD 1 = AZN 1.7000 (2023: USD 1 = AZN 1.7000).

**Offsetting**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default, and (iii) in the event of insolvency or bankruptcy.

**Staff costs and related contributions**

Wages, salaries, contributions to the Republic of Azerbaijan state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group. The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

**Financial instruments – key measurement terms**

Depending on their classification financial instruments are carried at fair value or AC.

**4. Critical accounting estimates and judgements in applying accounting policies**

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include.



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**4. Critical accounting estimates and judgements in applying accounting policies (continued)**

**Significant increase in credit risk (“SICR”)**

In order to determine whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Group considers all reasonable and supportable forward looking information available without undue cost and effort, which includes a range of factors, including behavioural aspects of particular customer portfolios. The Group identifies behavioural indicators of increases in credit risk prior to delinquency and incorporated appropriate forward looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

**Business model assessment**

The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the Group considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimising potential losses due to credit deterioration are considered consistent with the “hold to collect” business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the “hold to collect” business model, provided that they are infrequent or insignificant in value, both individually and in aggregate.

The Group assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the Group’s control, is not recurring and could not have been anticipated by the Group, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The “hold to collect and sell” business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model’s objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realising cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

**Fair value of investment properties**

***Initial recognition***

Investment properties were measured at fair value as transaction costs at the date when these assets were acquired to the Group.

***Subsequent measurement***

The Group did not recognize change in fair value of investment property as at December 31, 2024.

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**4. Critical accounting estimates and judgements in applying accounting policies (continued)**

**Assessment whether cash flows are solely payments of principal and interest (“SPPI”)**

Determining whether a financial asset’s cash flows are solely payments of principal and interest required judgement.

The Group identified and considered contractual terms that change the timing or amount of contractual cash flows. The SPPI criterion is met if a loan allows early settlement and the prepayment amount substantially represents principal and accrued interest, plus a reasonable additional compensation for the early termination of the contract. The asset’s principal is the fair value at initial recognition less subsequent principal repayments, ie instalments net of interest determined using the effective interest method.

As an exception to this principle, the standard also allows instruments with prepayment features that meet the following condition to meet SPPI: (i) the asset is originated at a premium or discount, (ii) the prepayment amount represents contractual par amount and accrued interest and a reasonable additional compensation for the early termination of the contract, and (ii) the fair value of the prepayment feature is immaterial at initial recognition.

The Group’s loan agreements allow adjusting interest rates in response to certain macro-economic or regulatory changes. Management applied judgement and assessed that competition in the banking sector and the practical ability of the borrowers to refinance the loans would prevent it from resetting the interest rates at an above-market level and hence cash flows were assessed as being SPPI.

**Initial recognition of related party transactions**

In the normal course of business the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis.

**Going concern**

Management prepared these consolidated financial statements on a going concern basis. In making this judgement management considered the Group’s financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of the recent financial crisis on future operations of the Group.

According to management's estimates and measures, it is considered the Group would be able to adjust the needs of liquidity over the next twelve months and therefore current financial statements have been prepared on a going concern basis.



**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**5. Adoption of new or revised standards and interpretations**

In the current year, the Group has adopted all new and revised standards issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee that are applicable to its activities and the reporting period ending on December 31, 2024.

**The following amendments became effective from January 1, 2024.**

**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on September 22, 2022 and effective for annual periods beginning on or after January 1, 2024)**

The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means that any gain related to the right-of-use asset retained by the seller-lessee should be deferred, even when lease payments are variable and do not depend on an index or a rate.

**Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on January 23, 2020 and subsequently amended on July 15, 2020 and October 31, 2022, ultimately effective for annual periods beginning on or after January 1, 2024)**

These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a Group might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on May 25, 2023 and effective for annual periods beginning on or after January 1, 2024)**

In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements.

Unless stated otherwise, the application of the above amendments had no significant impact on the Group's financial statements.



**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**6. New accounting pronouncements**

As of the date of approval of these financial statements, in addition to the standards and interpretations previously adopted by the Group before their respective effective dates, the IASB has issued new standards and interpretations that will become mandatory for annual periods beginning on or after January 1, 2025. The Group has not early adopted these standards and interpretations.

**Amendments to IAS 21 Lack of Exchangeability (Issued on August 15, 2023 and effective for annual periods beginning on or after January 1, 2025)**

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

**Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on May 30, 2024 and effective for annual periods beginning on or after January 1, 2026)**

On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

**IFRS 18 Presentation and Disclosure in Financial Statements (Issued on April 9, 2024 and effective for annual periods beginning on or after January 1, 2027)**

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**6. New accounting pronouncements (continued)**

**IFRS 18 Presentation and Disclosure in Financial Statements (Issued on April 9, 2024 and effective for annual periods beginning on or after January 1, 2027) (continued)**

IFRS 18 will replace IAS 1 while retaining most of its principles with limited modifications.

IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on May 9, 2024 and effective for annual periods beginning on or after January 1, 2027)**

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries’ financial statements while maintaining the usefulness of the information for users of their financial statements.

Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent Group and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

Unless otherwise described above, the new standards and interpretations are considered by Management and concluded that they are not expected to significantly affect the Group’s financial statements.

The requirements of these new standards and interpretations have not been applied in the preparation of these financial statements. The Management has assessed the potential impact of these new standards and interpretations and does not expect them to have a material effect on its financial statements upon adoption. These standards will be applied as required from their respective effective dates.



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**7. Cash and cash equivalents**

The Group's cash and cash equivalents were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Bank balances payable on demand	116,056	22,414
<b>Total cash and cash equivalents</b>	<b>116,056</b>	<b>22,414</b>

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at December 31, 2024 and December 31, 2023. Refer to Note 23 for the description of the Group's credit risk grading system.

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
	<b>Correspondent accounts with the bank</b>	<b>Correspondent accounts with the bank</b>
- Satisfactory	116,056	22,414
<b>Total cash and cash equivalents except cash in hand</b>	<b>116,056</b>	<b>22,414</b>

The credit ratings in the above table are based on Standard & Poor's ratings where available, or Moody's or Fitch rating converted to the nearest equivalent on the Standard & Poor's rating scale.

**8. Net investment in finance lease**

The Group's finance lease receivables as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Net investment in finance lease	10,206,045	4,727,467
Less: Expected credit loss allowance	(154,731)	-
<b>Total net investment in finance lease</b>	<b>10,051,314</b>	<b>4,727,467</b>

As of December 31, 2024 and December 31, 2023, financial lease receivables in the amounts of AZN 10,206,045 and AZN 4,727,467 relate to unpaid principal amounts, accrued interest and fines that should be received in cash from customers who cannot fulfill their obligations under financial leasing contracts until the date of repossession of the financial leasing object.

During the term of the lease, ownership of the leased assets belongs to the Group. Under financial leasing contracts, the ownership of the leased assets is transferred to the lessees at the end of the term of those contracts. Risks related to damage, theft and other cases of leased assets due to various reasons are insured.

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total 2024</b>
<b>Vehicle</b>				
Leases without individual signs of impairment	5,443,348	-	-	5,443,348
Overdue or impaired loans:				
- less than 30 days overdue	3,233,431	-	-	3,233,431
- overdue 30-89 days	-	1,239,886	-	1,239,886
- overdue 90-179 days	-	-	289,380	289,380
- overdue 180-360 days	-	-	-	-
- overdue more than 360 days	-	-	-	-
<b>Total overdue or impairment loans</b>	<b>3,233,431</b>	<b>1,239,886</b>	<b>289,380</b>	<b>4,762,697</b>
<b>Total vehicle leases</b>	<b>8,676,779</b>	<b>1,239,886</b>	<b>289,380</b>	<b>10,206,045</b>
ECL allowance	(54,243)	(52,075)	(48,413)	(154,731)
<b>Net leases</b>	<b>8,622,536</b>	<b>1,187,811</b>	<b>240,967</b>	<b>10,051,314</b>



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**9. Property and equipment**

The list of property and equipments are as follows:

	<b>Furniture and other equipments</b>	<b>Computer equipments</b>	<b>Total</b>
<b>Initial value</b>			
<b>December 31, 2022</b>	<b>2,903</b>	<b>1,748</b>	<b>4,651</b>
<b>Write off</b>	<b>(2,903)</b>	<b>(298)</b>	<b>(3,201)</b>
<b>December 31, 2023</b>	<b>-</b>	<b>1,450</b>	<b>1,450</b>
<b>Addition</b>	<b>73,862</b>	<b>43,849</b>	<b>117,711</b>
<b>December 31, 2024</b>	<b>73,862</b>	<b>45,299</b>	<b>119,161</b>
<b>Accumulated depreciation</b>			
<b>December 31, 2022</b>	<b>(449)</b>	<b>(248)</b>	<b>(697)</b>
<b>Depreciation</b>	<b>(706)</b>	<b>(435)</b>	<b>(1,141)</b>
<b>Write off</b>	<b>1,155</b>	<b>115</b>	<b>1,270</b>
<b>December 31, 2023</b>	<b>-</b>	<b>(568)</b>	<b>(568)</b>
<b>Depreciation</b>	<b>(9,761)</b>	<b>(7,486)</b>	<b>(17,247)</b>
<b>December 31, 2024</b>	<b>(9,761)</b>	<b>(8,054)</b>	<b>(17,815)</b>
<b>Net book value</b>			
<b>December 31, 2022</b>	<b>2,454</b>	<b>1,500</b>	<b>3,954</b>
<b>December 31, 2023</b>	<b>-</b>	<b>882</b>	<b>882</b>
<b>December 31, 2024</b>	<b>64,101</b>	<b>37,245</b>	<b>101,346</b>

**10. Investment properties**

The Group's investment properties are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Four Seasons Brickell	1,453,397	-
Building in Buffalo, NY	443,122	-
Domus Brickell Residences	337,280	-
<b>Total investment properties</b>	<b>2,233,799</b>	<b>-</b>

**11. Deposits placed at banks**

The Group's deposits placed at banks are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Deposits placed at banks	855,360	-
<b>Total deposits placed at banks</b>	<b>855,360</b>	<b>-</b>

On May 13, 2024, The Group placed a demand deposit of USD 500,000 in RabitaBank OJSC at a rate of 1%. The balance of the deposit as of December 31, 2024 consisted of the principal amount of USD 500,000 and the accrued interest amount of USD 3,153

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**12. Debt instruments measured at amortized cost**

The Group's debt instruments measured at amortized cost are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Debt instruments measured at amortized cost	274,641	-
<b>Total debt instruments measured at amortized cost</b>	<b>274,641</b>	<b>-</b>

For the year end 2024, The Group received debt instruments measured at amortized cost with total value of AZN 252,300 and an rate of 15-18% from Finoko NBCO. The balance of the bill of exchange as of December 31, 2024 consisted of the principal amount of AZN 252,300 and the accrued interest amount of AZN 22,341.

**13. Right-of-use asset and lease liabilities**

The right-of-use assets is as follows:

	<b>Right-of-use assets</b>
<b>December 31, 2023</b>	-
Additions for the year	126,191
Depreciation of right-of-use asset	(42,576)
<b>December 31, 2024</b>	<b>83,615</b>

The reconciliation of the opening and closing amounts of lease liabilities with relevant cash and non-cash changes from financing activities is stated below:

	<b>Lease liabilities</b>
<b>December 31, 2023</b>	-
Addition	126,191
Rent concession	(50,160)
Finance cost	11,010
<b>December 31, 2024</b>	<b>87,041</b>

The recognized lease liabilities classified as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Current portion	43,309	-
Non-current portion	43,732	-
<b>Total lease liabilities</b>	<b>87,041</b>	<b>-</b>

**14. Securities in issue**

The Group's securities in issue are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Securities in issue	922,000	995,000
<b>Total securities in issue</b>	<b>922,000</b>	<b>995,000</b>



**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**14. Securities in issue (continued)**

The term of the bonds is 4-5 years, and the annual interest rate is 15%. Interest on bonds is paid monthly, and the principal amount is paid at the end of the term.

Refer to Note 26 for the disclosure of the fair value of each class of securities in issue. Interest rate analysis of securities in issue are disclosed in Note 23. Information on securities in issue held by related parties is disclosed in Note 28.

**15. Term borrowings**

The Group's term debt obligations are classified as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Borrowings from financial institutions	776,293	734,683
Borrowings from individuals	4,457,448	-
<b>Total term borrowings</b>	<b>5,233,741</b>	<b>734,683</b>

These borrowings include principal amounts and accrued interest payables as at December 31, 2024 and December 31, 2023.

During the year 2024, "Rabitabank" OJSC provided AZN 776,293 to the Group for a 24 months period, with 7% annual interest rate. Also total amount of 4,457,448 AZN provided to Group for a 12-24 month period, with 11-20% annual interest rate by physical persons.

Interest rates for the borrowings represent market rates for the years ended December 31, 2024 and December 31, 2023. The carrying value of the term borrowings approximates fair value at December 31, 2024 and December 31, 2023.

Geographical, currency, maturity and interest rate analyses of term borrowings are disclosed in Note 21.

**16. Borrowings from shareholder**

The Group's borrowings from shareholder are classified as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Borrowings from shareholder	2,471,000	30,331
<b>Total borrowings from shareholder</b>	<b>2,471,000</b>	<b>30,331</b>

During 2024 The Group received loans from its shareholders with 12-18% annual interests for 12 month period.

**17. Other liabilities**

Other liabilities of the Group are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Other liabilities	76,477	28,315
<b>Total other liabilities</b>	<b>76,477</b>	<b>28,315</b>

**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**18. Other income**

Other income for the year ended December 31, 2024, consists of income amounting to AZN 197,973 arising from the acquisition of "Finoko-USA" LLC.

**19. Interest income and expense**

The Group's interest income and expense are classified as:

	Year ended December 31, 2024	Year ended December 31, 2023
<b>Interest income</b>		
Interest income on lease	2,116,053	893,129
Deposits placed at banks	5,359	-
Debt instruments measured at amortized cost	91,925	-
<b>Total interest income</b>	<b>2,213,337</b>	<b>893,129</b>
<b>Interest expense</b>		
Borrowings from shareholder	(492,247)	(331)
Securities in issue	(144,315)	(70,534)
Term borrowings	(87,339)	(61,875)
Finance cost on lease liability	(11,010)	-
<b>Total interest expense</b>	<b>(734,911)</b>	<b>(132,740)</b>
<b>Net interest income</b>	<b>1,478,426</b>	<b>760,389</b>

**20. Administrative expenses**

Administrative expenses of the Group are classified as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Salary and employee benefits	(59,320)	(6,597)
Depreciation of right-of-use asset	(42,576)	-
Security expenses	(18,326)	-
Depreciation of property plant and equipment	(17,247)	(1,141)
Bank charges	(13,920)	(1,119)
Broker fee	(12,616)	(9,949)
Social security expenses	(11,347)	(1,358)
Consulting and other professional services	(8,260)	(5,167)
Other operating expenses	(2,401)	-
Communication expenses	(2,044)	(210)
Property tax expenses	(511)	(24)
Insurance expenses	(198)	(14)
Rent expenses	-	(5,140)
Loss on write-of use PPE	-	(1,931)
<b>Total administrative expenses</b>	<b>(188,766)</b>	<b>(32,650)</b>



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**21. Corporate income tax**

The Group calculates taxes based on tax reports and records prepared according to the tax legislation of the Republic of Azerbaijan, and these calculations may differ from IFRS. As some expenses are not taxable and some income is tax-exempt, the Group is affected by certain permanent tax differences.

**(a) Components of income tax expense**

Corporate income tax consists of:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Corporate income tax	(352,445)	(154,112)
Deferred tax benefit	31,631	-
<b>Income tax expense for the year</b>	<b>(320,814)</b>	<b>(154,112)</b>

**(b) Reconciliation of income tax expense and profit or loss at the appropriate tax rate determined by legislation**

The corporate income tax rate for 2024 and 2023 was 20%. A reconciliation of expected and actual applied tax expense is shown below.

	For the year ended December 31, 2024	For the year ended December 31, 2023
<b>Profit before tax</b>	<b>1,534,746</b>	<b>770,444</b>
Theoretical tax charge at the statutory rate of 20%	(306,949)	(154,089)
Tax effect of items that are not deductible or assessable for taxation purposes	(13,865)	(23)
<b>Income tax expense for the year</b>	<b>(320,814)</b>	<b>(154,112)</b>

As a result of the differences between the IFRS and the tax legislation of the Republic of Azerbaijan, temporary differences between the balance sheet value of assets and liabilities arise for the purpose of preparing financial statements and calculating income tax.

The temporary differences as of December 31, 2024 and December 31, 2023 and the tax effect of actions for 2024 are shown in the table below:

	December 31, 2023	Recognized in profit or loss	December 31, 2024
Net investment in finance lease	-	30,946	30,946
Lease liabilities	-	17,408	17,408
Right-of-use assets	-	(16,723)	(16,723)
<b>Total deferred income tax asset</b>	<b>-</b>	<b>31,631</b>	<b>31,631</b>

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

## 22. Charter capital

As of December 31, 2024, the approved charter capital of the Group consists of 35,300 (thirty five thousand three hundred) ordinary shares with a nominal value of 100 AZN per share (as of December 31, 2023: 22,450 (fourteen thousand three hundred one) ordinary shares with a nominal value of 100 AZN per share).

	December 31, 2024	December 31, 2023
Total issued shares for December 31	35,300	22,450
<b>Total shares approved as of December 31</b>	<b>35,300</b>	<b>22,450</b>

The charter capital of the Group is held by the following shareholders:

	2024	2023	2024	2023
	%	%	AZN	AZN
Ismayılov Turan Mubariz	40%	58%	1,412,000	1,300,000
Suleymanlı Ramin Rahman	32%	25%	1,130,000	560,000
Soltanov Rovshan Rafiq	10%	11%	353,000	250,000
Mammadov Boyukagha Mirkamal	13%	6%	459,000	135,000
Kolas Konstantin	5%	-	176,000	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>3,530,000</b>	<b>2,245,000</b>

A total of AZN 616,333 dividends were declared on March 4, 2024 and paid by the Group during the year.

## 23. Financial risk management

The risk management function within the Group is carried out in respect of financial risks (credit, market, geographical, currency, liquidity and interest rate), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

### Credit risk

The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties giving rise to financial assets.

The maximum level of credit risk to which the Group is exposed is reflected by the book value of financial assets and is presented by types of assets as shown in the table below:

The maximum degree of credit risk that the Group is exposed to by the category of assets is shown in the following table:

	December 31, 2024	December 31, 2023
Net investment in finance lease	10,051,314	4,727,467
Deposits placed at banks	855,360	-
Debt instruments measured at amortized cost	274,641	-
Cash and cash equivalents	116,056	22,414
Other assets	23,290	-
<b>Total maximum exposure to risk</b>	<b>11,320,661</b>	<b>4,749,881</b>



**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**23. Financial risk management (continued)**

**Credit risk (continued)**

The society keeps its funds in well-known financial organizations of the Republic of Azerbaijan. The society regularly monitors the status of the banks where it keeps its funds.

**Credit risk management**

Credit risk is the only significant risk to the Group's business. Therefore, management pays special attention to credit risk management.

**Leasing Operations**

Credit Policy of the Group, which was approved by the Director, sets forth principles and rules of financial leasing activity, as well as establishing main indicators of procedures with regard to the activity, mitigating the Group's risks, determining profitability and serving as guidance for all employees while they perform their duties. There are certain limits set for the lease portfolio in order to ensure its diversification and minimisation of possible credit risks. These limits are, as follows:

- Limits for business portfolio and consumer leasing portfolio;
- Limits by sectors of economy;
- Regional limits;
- Concentration limits; and
- Limits by collateral type.

The Sales Director sets and reviews limits. Those limits can be revised if there are significant changes in market conditions. A proposal to change the limits is submitted to the Director for approval and approved by him.

The Sales Director regularly monitors compliance with all limits, and some limits (maximum amount of leases granted to a single borrower or group of related borrowers and maximum amount of leases granted to related parties) are reviewed before any new leases are issued.

The Group's credit policy regulates the duties and powers of each employee of the Group involved in the process of granting loans, as well as determines the limits of granting loans, the rules of leasing control, the principles of the rating system applied by the Group, and the procedures for granting loans.

In order to monitor the credit risk, employees of the Sales Director regularly analyze the client's business and financial indicators. The maximum level of credit risk to which the Group is exposed is usually reflected in the balance sheet value of financial assets. The ability to offset assets and liabilities is not of great importance for reducing potential credit risk.

**"LEGION FINANCIAL" OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**23. Financial risk management (continued)**

**Risk Management**

Managed by the Sales Director. In order to manage risks, prevent a financial crisis and ensure the continuity of the Group's activities, the Group investigates and studies more risky areas related to financial leasing and identifies all potential risks that may affect various aspects of financial leasing, and certain measures are taken to reduce those risks.

A lease development process assumes the following steps:

**Lease approval procedure and delegations:**

- Once leasing needs have been identified a proposal is reviewed and analysis of the lessee's financial capacity to be conducted by the Sales Director
- The draft lease memorandum is then reviewed by the Sales Director for completion and assessment of project related risks.
- Upon approval by both the Sales Director., the proposal is then submitted to the Director for final approval.

**Delegation of authorities for credit granting approval:**

- The Group's Sales Director conducts the preliminary assessment of the lease proposals and has approval authority.
- Upon the Director approval, the Sales Director submits a formal lease proposal to the client. If, in subsequent negotiations with the client, the terms of the initial lease proposal are significantly modified, or if new information is discovered, the Sales Director returns the proposal to the Director for a second approval.
- A final legal review by law department is also performed prior to a lease contract is sent to the client for signature.
- Once a lease contract is signed, the Sales Director performs the asset delivery and monitoring.

**The appraisal of the collateral value**

Normally, as owner and title holder of leased assets, the leasing Group does not require additional security from lessees. If potential new customers do not meet Group's credit criteria set on financial performance or does not have a business history, the Group might require financial guarantee from a financially sound parent or an additional security.

**Registration of leased assets**

The Group's the Sales Director handles the registration related tasks and obtains all necessary documents to allow customers to operate the vehicles. The Sales Director ensures the validity and completeness of registration related documents.

**Market risk**

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate and equity products, all of which are exposed to general and specific market movements.



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**23. Financial risk management (continued)**

**Market risk (continued)**

Management sets limits on the value of risk that may be accepted, which is monitored on a weekly basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

**Currency risk**

The foreign currency risk to which the Group is exposed as of December 31, 2024 and comparative figures as of December 31, 2023 are shown in the table below:

	December 31, 2024			December 31, 2023		
	Monetary financial assets	Monetary financial liabilities	Net position	Monetary financial assets	Monetary financial liabilities	Net position
AZN	10,240,458	(8,238,509)	2,001,949	4,749,881	(1,785,014)	2,964,867
USD	1,080,203	(527,000)	553,203	-	-	-
<b>Total</b>	<b>11,320,661</b>	<b>(8,765,509)</b>	<b>2,555,152</b>	<b>4,749,881</b>	<b>(1,785,014)</b>	<b>2,964,867</b>

The above analysis includes only monetary assets and liabilities.

The following table presents sensitivities of profit and loss to reasonably possible changes in exchange rates applied at the period end date, with all other variables held constant:

	At December 31, 2024	At December 31, 2023
	Impact on profit or loss	Impact on profit or loss
US Dollar strengthening by 20%	110,641	-
US Dollar weakening by 20%	(110,641)	-

Other than as a result of any impact on the Group's profit or loss, there is no other impact on the Group's equity as a result of such change in exchange rates. The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Group.

**Interest rate risk**

The Group is exposed to risk related to the impact of changes in market interest rates on its financial condition and cash flow. As a result of such changes, interest margins between earned financial income and interest expenses may increase, but if unexpected changes in interest rates occur, interest margins may also decrease or cause a loss.

The table summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by expected maturity dates.

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 year to 5 years	Total
<b>December 31, 2024</b>					
Total financial assets	896,638	1,972,189	3,126,944	5,324,890	11,320,661
Total financial liabilities	(55,342)	(18,517)	(7,725,918)	(965,732)	(8,765,509)
<b>Net interest sensitivity gap at December 31 2024</b>	<b>841,296</b>	<b>1,953,672</b>	<b>(4,598,974)</b>	<b>4,359,158</b>	<b>2,555,152</b>

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**23. Financial risk management (continued)**

**Interest rate risk (continued)**

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 year to 5 years	Total
<b>December 31, 2023</b>					
Total financial assets	285,409	932,335	1,065,574	2,466,563	4,749,881
Total financial liabilities	(57,148)	(326,282)	(406,584)	(995,000)	(1,785,014)
<b>Net interest sensitivity gap at December 31 2023</b>	<b>228,261</b>	<b>606,053</b>	<b>658,990</b>	<b>1,471,563</b>	<b>2,964,867</b>

The Group's profit is not exposed to AZN market interest rate changes because the Group does not have variable interest assets or liabilities denominated in AZN.

The Group monitors interest rates for its financial instruments. The table below summarizes interest rates based on reports reviewed by key management personnel:

<i>In % p.a.</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Term borrowings	7-20%	20%
Securities in issue	15%	15%
Borrowings from shareholder	12-18%	17%
Debt instruments measured at amortized cost	15-18%	-
Deposits placed at banks	1%	-

**Geographical risk concentrations**

The geographical concentration of the Group's financial assets and liabilities at December 31, 2024 is set out below:

	<b>Azerbaijan</b>	<b>OECD</b>	<b>Total</b>
<b>Financial assets</b>			
Net investment in finance lease	10,051,314	-	10,051,314
Deposits placed at banks	855,360	-	855,360
Debt instruments measured at amortized cost	274,641	-	274,641
Cash and cash equivalents	116,056	-	116,056
Other assets	-	23,290	23,290
<b>Total financial assets</b>	<b>11,297,371</b>	<b>23,290</b>	<b>11,320,661</b>
<b>Financial liabilities</b>			
Term borrowings	(5,233,741)	-	(5,233,741)
Borrowings from shareholder	(2,471,000)	-	(2,471,000)
Securities in issue	(922,000)	-	(922,000)
Lease liability	(87,041)	-	(87,041)
Other liabilities	(51,727)	-	(51,727)
<b>Total financial liabilities</b>	<b>(8,765,509)</b>	<b>-</b>	<b>(8,765,509)</b>
<b>Net position on-balance sheet financial instruments</b>	<b>2,531,862</b>	<b>23,290</b>	<b>2,555,152</b>

Assets and liabilities have generally been based on the country in which the counterparty is located.



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**23. Financial risk management (continued)**

The geographical concentration of the Group's financial assets and liabilities at December 31, 2023 is set out below:

	<b>Azerbaijan</b>	<b>OECD</b>	<b>Total</b>
<b>Financial assets</b>			
Net investment in finance lease	4,727,467	-	4,727,467
Cash and cash equivalents	22,414	-	22,414
<b>Total financial assets</b>	<b>4,749,881</b>	<b>-</b>	<b>4,749,881</b>
<b>Financial liabilities</b>			
Term borrowings	(995,000)	-	(995,000)
Securities in issue	(734,683)	-	(734,683)
Borrowings from shareholder	(30,331)	-	(30,331)
Other liabilities	(25,000)	-	(25,000)
<b>Total financial liabilities</b>	<b>(1,785,014)</b>	<b>-</b>	<b>(1,785,014)</b>
<b>Net position on-balance sheet financial instruments</b>	<b>2,964,867</b>	<b>-</b>	<b>2,964,867</b>

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial obligations. It refers to the availability of sufficient funds to meet other financial commitments associated with financial instruments as they actually fall due. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of financial institutions.

In order to manage liquidity risk, the Group performs daily monitoring of future expected cash flows on clients' and banking operations, which is part of the assets/liabilities management process.

The Group's liquidity policy is comprised of the following:

- Projecting cash flows and maintaining the level of liquid assets necessary to ensure liquidity in various time-bands;
- Maintaining a funding plan commensurate with the Group's strategic goals;
- Maintaining a diverse range of funding sources thereby increasing the Group's borrowing capacity, domestically as well as from foreign sources;
- Maintaining highly liquid and high-quality assets;
- Adjusting its product base by time bands against available funding sources; and
- Constant monitoring of asset and liability structures by time-bands.

The following tables show carrying amounts of liabilities of the Group including potential future non-accrued interest ranked on the basis of the remaining period from the period end date to their contractual maturity date.

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**23. Financial risk management (continued)**

**Liquidity risk (continued)**

The undiscounted maturity analysis of financial instruments at December 31, 2024:

	<b>Demand and less than 1 months</b>	<b>From 1 to 6 months</b>	<b>From 6 to 12 months</b>	<b>From 1 year to 5 years</b>	<b>Total</b>
<b>Assets</b>					
Net investment in finance lease	834,270	3,205,880	3,622,741	9,430,518	17,093,409
Cash and cash equivalents	116,056	-	-	-	116,056
Deposits placed at bank	-	-	-	855,360	855,360
Debt instruments measured at amortized cost	172,343	102,298	-	-	274,641
Other asset	23,290	-	-	-	23,290
<b>Total</b>	<b>1,145,959</b>	<b>3,308,178</b>	<b>3,622,741</b>	<b>10,285,878</b>	<b>18,362,756</b>
<b>Liabilities</b>					
Securities in issue	(11,525)	(57,625)	(69,150)	(1,271,013)	(1,409,313)
Term borrowings	(42,151)	(209,904)	(5,618,230)	(213,830)	(6,084,115)
Borrowings from shareholder	(30,548)	(152,742)	(2,429,741)	-	(2,613,031)
Lease liability	(4,180)	(20,900)	(25,080)	(45,980)	(96,140)
Other liabilities	(51,727)	-	-	-	(51,727)
<b>Total potential future payments for financial obligations</b>	<b>(140,131)</b>	<b>(441,171)</b>	<b>(8,142,201)</b>	<b>(1,530,823)</b>	<b>(10,254,326)</b>
<b>Liquidity gap</b>	<b>1,005,828</b>	<b>2,867,007</b>	<b>(4,519,460)</b>	<b>8,755,055</b>	<b>8,108,430</b>
<b>Cumulative liquidity gap</b>	<b>1,005,828</b>	<b>3,872,835</b>	<b>(646,625)</b>	<b>8,108,430</b>	

The undiscounted maturity analysis of financial instruments at December 31, 2023:

	<b>Demand and less than 1 months</b>	<b>From 1 to 6 months</b>	<b>From 6 to 12 months</b>	<b>From 1 year to 5 years</b>	<b>Total</b>
<b>Assets</b>					
Net investment in finance lease	379,477	1,513,226	1,753,378	4,346,829	7,992,910
Cash and cash equivalents	22,414	-	-	-	22,414
<b>Total</b>	<b>401,891</b>	<b>1,513,226</b>	<b>1,753,378</b>	<b>4,346,829</b>	<b>8,015,324</b>
<b>Liabilities</b>					
Securities in issue	(12,438)	(62,188)	(74,625)	(1,519,967)	(1,669,218)
Term borrowings	(43,947)	(374,094)	(392,454)	-	(810,495)
Borrowings from shareholder	(756)	(2,125)	(32,219)	-	(35,100)
Other liabilities	-	(25,000)	-	-	(25,000)
<b>Total potential future payments for financial obligations</b>	<b>(57,141)</b>	<b>(463,407)</b>	<b>(499,298)</b>	<b>(1,519,967)</b>	<b>(2,539,813)</b>
<b>Liquidity gap</b>	<b>344,750</b>	<b>1,049,819</b>	<b>1,254,080</b>	<b>2,826,862</b>	<b>5,475,511</b>
<b>Cumulative liquidity gap</b>	<b>344,750</b>	<b>1,394,569</b>	<b>2,648,649</b>	<b>5,475,511</b>	



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

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**23. Financial risk management (continued)**

**Other risk concentrations**

On December 31, 2024 and December 31, 2023, The Group did not have any such significant risk concentrations. The Management determines concentrations by assessing the quantitative data about its exposure to the risk at the reporting date. This disclosure is based on the information provided internally to key management personnel of the Group and includes for example disclosure of concentrations of risks such as currency, credit and interest.

**24. Management of capital**

The Group's objectives when managing capital are (i) to comply with the minimum capital requirements set by Central Bank of Azerbaijan Republic (CBAR), (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base ratios in order to support its business and to maximize shareholders' value.

There are no financial covenants stipulated by borrowing agreements in respect of capital adequacy requirements.

**25. Contingencies and commitments**

**Legal proceedings**

From time to time and in the normal course of business, claims against the Group may be received. Based on its own estimates and both internal and external professional advice Management is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these consolidated financial statements.

**Tax contingencies**

Azerbaijani tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation, as applied to the transactions and activity of the Group, may be challenged by the relevant state authorities. Recent events within the Republic of Azerbaijan suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

**26. Fair value of financial instruments**

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price.

The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value.

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**26. Fair value of financial instruments (continued)**

Azerbaijan continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be out dated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The table below analysis financial instruments recorded at fair value by the level of the fair value hierarchy:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Net investment in finance lease	-	-	10,051,314	10,051,314
Deposits placed at banks	-	855,360	-	855,360
Debt instruments measured at amortized cost	-	274,641	-	274,641
Cash and cash equivalents	116,056	-	-	116,056
Other asset	-	23,290	-	23,290
<b>Total financial assets</b>	<b>116,056</b>	<b>1,153,291</b>	<b>10,051,314</b>	<b>11,320,661</b>
<b>Financial liabilities</b>				
Securities in issue	-	-	(922,000)	(922,000)
Term borrowings	-	-	(5,233,741)	(5,233,741)
Borrowings from shareholder	-	-	(2,471,000)	(2,471,000)
Lease liability	-	-	(87,041)	(87,041)
Other liability	-	-	(51,727)	(51,727)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(8,765,509)</b>	<b>(8,765,509)</b>



**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**26. Fair value of financial instruments (continued)**

	December 31, 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Net investment in finance lease	-	-	4,727,467	4,727,467
Cash and cash equivalents	22,414	-	-	22,414
<b>Total financial assets</b>	<b>22,414</b>	<b>-</b>	<b>4,727,467</b>	<b>4,749,881</b>
<b>Financial liabilities</b>				
Securities in issue	-	-	(995,000)	(995,000)
Term borrowings	-	-	(734,683)	(734,683)
Borrowings from shareholder	-	-	(30,331)	(30,331)
Other liability	-	-	(25,000)	(25,000)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(1,785,014)</b>	<b>(1,785,014)</b>

**27. Reconciliation of liabilities arising from financing activities**

The table below sets out movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing activities in the statement of cash flows.

	Securities in issue	Term borrowings	Borrowings from shareholder	Lease liability	Total
<b>Liabilities from financing activities at December 31, 2022</b>	<b>-</b>	<b>346,416</b>	<b>-</b>	<b>-</b>	<b>346,416</b>
Cash flows	995,000	383,963	30,000	-	1,408,963
Interest paid	(61,875)	(66,230)	-	-	(128,105)
Other non-cash movements	61,875	70,534	331	-	132,740
<b>Liabilities from financing activities at December 31, 2023</b>	<b>995,000</b>	<b>734,683</b>	<b>30,331</b>	<b>-</b>	<b>1,760,014</b>
Cash flows	(73,000)	4,503,897	2,441,000	-	6,871,897
Interest paid	(144,315)	(299,541)	(285,215)	-	(729,071)
Other non-cash movements	144,315	294,702	284,884	87,041	810,942
<b>Liabilities from financing activities at December 31, 2024</b>	<b>922,000</b>	<b>5,233,741</b>	<b>2,471,000</b>	<b>87,041</b>	<b>8,713,782</b>

**28. Transaction with related parties**

According to IFRS 24, parties are considered related if they are under common control or one of the parties is in a position to control the other, or can significantly influence or jointly control the other party when making decisions on matters related to financial and economic activities. When considering any possible relationships with related parties, the principle of priority of the substance of those relationships over their legal form is applied.

**“LEGION FINANCIAL” OPEN JOINT STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(Amounts presented are in Azerbaijani manats, unless otherwise stated)*

**28. Transaction with related parties (continued)**

As of December 31, 2024, the balances on transactions with related parties were as follows:

	Shareholders	Entities under common control	Key management personnel
Term borrowings	-	3,923,322	-
Securities in issue	-	-	9,000
Borrowings from shareholder	2,471,000	-	-

Income and expenses arising from transactions with related parties for the year ended December 31, 2024 are shown below:

	Shareholders	Entities under common control	Key management personnel
Interest expenses	492,247	144,315	4,427
Salaries and employee benefits	-	-	70,667

As of December 31, 2023, the balances for transactions with related parties were as follows:

	Shareholders	Entities under common control	Key management personnel
Term borrowings	-	734,683	-
Securities in issue	-	-	4,000
Borrowings from shareholder	30,331	-	-

Income and expenses arising from transactions with related parties for the year ended December 31, 2023 are shown below:

	Shareholders	Entities under common control	Key management personnel
Interest expenses	331	70,534	9,237
Salaries and employee benefits	-	-	7,969

**29. Events after the reporting periodss**

The Group acquired two investment properties with a value of 175,000 USD each in 2025.

The Group issued 6,050 ordinary registered unregistered shares with a total value of AZN 605,000, each with a par value of AZN 100. 1,200 of the issued shares were placed.

The Group issued 1,000 unsecured, uncertificated, registered bonds with a total amount of AZN 1,000,000, each with a nominal value of AZN 1,000 and an annual interest rate of 16.5%.



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