Karabakh Revival Fund

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

31 December 2025

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Independent Auditor's Report

To the Supervisory Board and Management of Karabakh Revival Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Karabakh Revival Fund (the "Fund") as at 31 December 2025, and the Fund's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Audit Azerbaijan LLC

Baku, the Republic of Azerbaijan

22 May 2026

Karabakh Revival Fund
Statement of Financial Position

In Azerbaijani Manats	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment		345,816	1,192,776
Investment property		7,855,600	-
Intangible assets		62,211	1,748,339
Investment in debt securities	8	1,119,214,645	873,056,703
Total non-current assets		**1,127,478,272**	**875,997,818**
Current assets			
Cash and cash equivalents	9	98,016,948	418,199,570
Investment in debt securities	8	508,889,754	315,787,243
Prepayment		5,200,731	3,625,949
Other tax prepayment		99,352	60,447
Other assets		184,203	151,214
Donated assets		-	3,990,661
Total current assets		**612,390,988**	**741,815,084**
TOTAL ASSETS		**1,739,869,260**	**1,617,812,902**
EQUITY			
Charter capital		1,000,000	1,000,000
Retained earnings		1,730,498,033	1,609,237,994
TOTAL EQUITY		**1,731,498,033**	**1,610,237,994**
LIABILITIES			
Current liabilities			
Trade and other payables		136,752	26,499
Current income tax payable	13	8,234,475	7,548,409
Total current liabilities		**8,371,227**	**7,574,908**
TOTAL LIABILITIES		**8,371,227**	**7,574,908**
TOTAL LIABILITIES AND EQUITY		**1,739,869,260**	**1,617,812,902**

Approved for issue and signed on 22 May 2026

Azərbaycan Respublikası Publik Hüquqi Şəxsi QDF Qarabağ Dirçəliş Fondu Azərbaycan Respublikası

Rahman Hajiyev
Chairman of Executive Board

Vusala Abasova
Head of Finance Department

Karabakh Revival Fund
Statement of Profit or Loss and Other Comprehensive Income

In Azerbaijani Manats	Note	2025	2024
Income from donations	10	53,868,439	80,286,899
Finance income	11	96,911,491	74,579,021
Gross profit		**150,779,930**	**154,865,920**
General, administrative, and other operating expenses	12	(14,667,296)	(3,635,454)
Net impairment (loss)/gain on financial assets	15	(166,357)	1,359,911
Operating profit		**135,946,277**	**152,590,377**
Fair value gain on investment property		3,864,939	-
Foreign exchange gain/(loss)		629,317	(468,900)
Profit before income tax		**140,440,533**	**152,121,477**
Income tax expense	13	(19,180,494)	(14,596,022)
PROFIT FOR THE YEAR		**121,260,039**	**137,525,455**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**121,260,039**	**137,525,455**

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Azərbaycan Respublikası Publik Hüquqi Şəxsi QDF Qarabağ Dirçəliş Fondu

Rahman Hajiyev
Chairman of Executive Board

Vusala Abasova
Head of Finance Department

In Azerbaijani Manats	Charter capital	Retained earnings	Total equity
Balance at 1 January 2024	**1,000,000**	**1,471,712,539**	**1,472,712,539**
Profit for the year	-	137,525,455	137,525,455
Total comprehensive income for 2024	-	137,525,455	137,525,455
Balance at 31 December 2024	**1,000,000**	**1,609,237,994**	**1,610,237,994**
Profit for the year	-	121,260,039	121,260,039
Total comprehensive income for 2025	-	121,260,039	121,260,039
Balance at 31 December 2025	**1,000,000**	**1,730,498,033**	**1,731,498,033**

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Rahman Hajiyev
Chairman of Executive Board

Vusala Abasova
Head of Finance Department

Karabakh Revival Fund
Statement of Cash Flows

In Azerbaijani Manats	Note	2025	2024
Cash flows from operating activities			
Profit before income tax		140,440,533	152,121,477
Adjustments for:			
Non-cash movement in property, plant and equipment and intangible assets		2,536,168	52,777
Net impairment loss/(gain) on financial assets		166,357	(1,359,911)
Finance income	11	(96,911,491)	(74,579,021)
Fair value gain on investment property		(3,864,939)	-
Foreign exchange (gain)/loss		(629,317)	468,900
Operating cash flows before working capital changes		**41,737,311**	**76,704,222**
Increase in prepayment		(1,574,782)	(3,483,897)
Increase in taxes prepayment		(38,905)	(80,377)
Increase in other current assets		(32,989)	(105,223)
Increase/(decrease) in trade and other payables		108,500	(1,894)
Changes in working capital		**(1,538,176)**	**(3,671,391)**
Income taxes paid		(18,494,428)	(11,348,813)
Net cash from operating activities		**21,704,707**	**61,684,018**
Cash flows from investing activities			
Additions to property, plant and equipment		(3,079)	(737,231)
Additions to intangible assets		-	(1,352,949)
Investment in bond securities	8	(756,712,086)	(514,791,856)
Receipt from matured securities	8	327,132,300	336,547,500
Interest received		85,767,943	54,208,436
Net cash used in investing activities		**(343,814,922)**	**(126,126,100)**
Effect of exchange rate changes on cash and cash equivalents		631,070	(468,900)
Net impairment gains on cash and cash equivalents		1,296,523	1,955,605
Cash and cash equivalents at the beginning of the year		**418,199,570**	**481,154,947**
Cash and cash equivalents at the end of the year	9	**98,016,948**	**418,199,570**

Approved for issue and signed on 22 May 2026

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