

**“CASPIAN INTERNATIONAL
INVESTMENT COMPANY” CLOSED
JOINT STOCK COMPANY**

**The International Financial Reporting
Standards Consolidated Financial
Statements and Independent Auditors’ Report
For the Year Ended December 31, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Management of "Caspian International Investment Company" Closed Joint Stock Company:

Qualified Opinion

We have audited the consolidated financial statements of "Caspian International Investment Company" CJSC (the "Company") and its subsidiaries (together referred to as the "Group" or "CIIC Group"), which comprise the consolidated statement of financial position as at December 31, 2020, 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 a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effect of the matter 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, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

As at December 31, 2020 the financial assets designated at fair value through profit or loss line of the Group's consolidated statement of financial position includes investment in "NAA Agrotara" in the amount of AZN 2,792,881 (December 31, 2019: AZN 2,792,881). We were unable to obtain sufficient appropriate audit evidence about the carrying amount of this investment due to the absence of necessary underlying data, since the Group's management does not have an access to the financial and other information of "NAA Agrotara". Consequently, we were unable to determine whether any adjustments to this amount were necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
- 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.

Baker Tilly Azerbaijan

March 29, 2021
Baku, the Republic of Azerbaijan


Caspian International Investment Company CJSC
Consolidated Statement of Financial Position

<i>In Azerbaijani Manats</i>	Note	December 31, 2020	December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment		35,758	80,285
Intangible assets		10,479	10,997
Financial assets at fair value through profit or loss			
Investments in subsidiaries	22, 23	5,027,286	4,662,680
Investments in associates	22, 24	5,431,264	6,474,509
Investments in joint ventures	22, 24	2,306,048	1,903,543
Other investments	22	2,792,881	2,792,881
Deferred income tax asset	20	261,030	190,447
Total non-current assets		15,864,746	16,115,342
Current assets			
Cash and cash equivalents	13	6,304,504	6,299,517
Term deposits with bank	14	4,200,000	4,000,000
Trade receivables	9	67,498	83,763
Inventories	8	2,143,055	2,757,158
Tax prepayments		525,380	575,629
Other current assets	10, 7	539,712	288,548
Total current assets		13,780,149	14,004,615
TOTAL ASSETS		29,644,895	30,119,957
EQUITY AND LIABILITIES			
Share capital	15	31,001,200	31,001,200
Accumulated deficit		(1,648,905)	(1,211,023)
TOTAL EQUITY		29,352,295	29,790,177
Current liabilities			
Lease liabilities	11	9,478	36,338
Other current liabilities	12	27,712	44,066
Total current liabilities		37,190	80,404
Non-current liabilities			
Lease liabilities	11	-	9,478
Deferred income tax liability	20	255,410	239,898
Total non-current liabilities		255,410	249,376
TOTAL LIABILITIES		292,600	329,780
TOTAL LIABILITIES AND EQUITY		29,644,895	30,119,957

Approved for issue and signed on behalf of the Management on March 29, 2021.


Mr. Elvin Ashirov
General Manager




Mr. Ruslan Gomeiko
Finance Manager

The accompanying notes on pages 5 to 30 are an integral part of these consolidated financial statements.

Caspian International Investment Company CJSC
Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In Azerbaijani Manats</i>	Note	2020	2019
Revenue	17	425,212	135,339
Net (loss)/gain on financial assets at fair value through profit	22	(275,606)	1,183,206
Dividend income		353,839	10,600
Cost of sales	18	(441,131)	(110,606)
Loss on write-down of inventories to net realisable value	8	(352,913)	(495,164)
Gross (loss)/profit		(290,599)	723,375
Administrative and other operating expenses	19	(451,570)	(505,946)
Operating (loss)/profit		(742,169)	217,429
Mark-up income	16	322,833	342,500
Gain from extinguishment of liabilities		-	18,194
Gain on disposal of property and equipment		-	7,331
Finance cost	11	(2,853)	(6,079)
(Loss)/income before income tax		(422,189)	579,375
Income tax expense	20	(15,693)	(273,611)
(LOSS)/INCOME FOR THE YEAR		(437,882)	305,764
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(437,882)	305,764

Approved for issue and signed on behalf of the Management on March 29, 2021.



Mr. Elvin Ashirov
 General Manager





Mr. Ruslan Gometko
 Finance Manager

Caspian International Investment Company CJSC
Consolidated Statement of Changes in Equity

	Share capital	Accumulated deficit	Total equity
<i>In Azerbaijani Manats</i>			
Balance at January 1, 2019	31,001,200	(1,516,787)	29,484,413
Income for the year	-	305,764	305,764
Total comprehensive income for the year	-	305,764	305,764
Balance at December 31, 2019	31,001,200	(1,211,023)	29,790,177
Loss for the year	-	(437,882)	(437,882)
Total comprehensive loss for the year	-	(437,882)	(437,882)
Balance at December 31, 2020	31,001,200	(1,648,905)	29,352,295

Approved for issue and signed on behalf of the Management on March 29, 2021.



Mr. Elvin Ashirov
 General Manager





Mr. Ruslan Gornelko
 Finance Manager

Caspian International Investment Company CJSC
Consolidated Statement of Cash Flows

<i>In Azerbaijani Manats</i>	Note	2020	2019
Cash flow from operating activities			
(Loss)/income before income tax		(422,189)	579,375
Adjustments for:			
Net loss/(gain) on financial assets at fair value through profit or loss	22	275,606	(1,183,206)
Loss on write-down of inventories to net realisable value	8	352,913	495,164
Depreciation and amortization	19	47,193	49,870
Mark-up income	16	(322,833)	(342,500)
Gain from extinguishment of liabilities		-	(18,194)
Gain on disposal of property and equipment		-	(7,331)
Finance cost		2,853	6,079
Operating cash flows before working capital changes		(66,457)	(420,743)
Changes in investments in subsidiaries		530	(799,996)
Changes in trade receivables		16,265	217,912
Changes in inventories		261,190	-
Changes in tax prepayments		61,280	(33,738)
Changes in other current assets		(251,164)	(198,091)
Changes in other current liabilities		(16,355)	1,308
Changes in working capital		71,246	(812,605)
Income tax paid		(81,797)	(35,310)
Net cash used in operating activities		(76,508)	(1,268,658)
Cash flows from investing activities			
Payments for property and equipment		(2,902)	(46,172)
Proceeds from sale of property and equipment		-	16,101
Investment in term deposits with bank		(4,200,000)	(4,000,000)
Withdrawal of term deposits with bank		4,000,000	2,000,000
Mark-up received from term deposits with bank		322,833	342,500
Net cash generated from/(used in) investing activities		119,931	(1,687,571)
Principal payment for lease liability	11	(35,583)	(32,377)
Interest payment for lease liability	11	(2,853)	(6,079)
Net cash used in financing activities		(38,436)	(38,456)
Net increase/(decrease) in cash and cash equivalents		4,987	(2,994,685)
Cash and cash equivalents at the beginning of the year	13	6,299,517	9,294,202
Cash and cash equivalents at the end of the year	13	6,304,504	6,299,517

Approved for issue and signed on behalf of the Management on March 29, 2021.


 Mr. Elvin Ashirov
 General Manager




 Mr. Ruslan Gomeiko
 Finance Manager