

**“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, 2021**

"CASPIAN INTERNATIONAL INVESTMENT COMPANY" CLOSED JOINT STOCK COMPANY

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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, 2021, 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 the consolidated financial statements, including a summary of significant accounting policies.

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, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

As at December 31, 2021 the financial assets designated at fair value through profit or loss line of the Group's consolidated statement of financial position include investment in "NAA Agrotara" in the amount of AZN 2,792,881 (December 31, 2020: 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" and has not yet assessed the value of assets under this investment. 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

June 10, 2022
Baku, the Republic of Azerbaijan

"Caspian International Investment Company" CJSC
Consolidated Statement of Financial Position

<i>In Azerbaijani Manats</i>	Note	December 31, 2021	December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment		95,829	35,758
Intangible assets		10,015	10,479
Financial assets at fair value through profit or loss			
Investments in subsidiaries	22, 23	4,643,902	5,027,286
Investments in associates	22, 24	3,456,209	5,431,264
Investments in joint ventures	22, 24	1,629,726	2,306,048
Other investments	22	2,792,881	2,792,881
Deferred income tax asset	20	340,566	261,030
Total non-current assets		12,969,128	15,864,746
Current assets			
Cash and cash equivalents	13	5,281,166	6,304,504
Term deposits with bank	14	5,300,000	4,200,000
Trade receivables	9	112,078	67,498
Inventories	8	3,248,713	2,143,055
Tax prepayments		78,529	525,380
Other current assets	10, 7	841,893	539,712
Total current assets		14,862,379	13,780,149
TOTAL ASSETS		27,831,507	29,644,895
EQUITY AND LIABILITIES			
Share capital	15	31,001,200	31,001,200
Accumulated deficit		(3,310,012)	(1,648,905)
TOTAL EQUITY		27,691,188	29,352,295
Current liabilities			
Lease liabilities	11	36,643	9,478
Other current liabilities	12	61,671	27,712
Total current liabilities		98,314	37,190
Non-current liabilities			
Lease liabilities	11	42,005	-
Deferred income tax liability	20	-	255,410
Total non-current liabilities		42,005	255,410
TOTAL LIABILITIES		140,319	292,600
TOTAL LIABILITIES AND EQUITY		27,831,507	29,644,895

Approved for the issue and signed on behalf of the Management on June 10, 2022.

Mr. Elvin Ashirov
General Manager



Mr. Ruslan Gornelko
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


In Azerbaijani Manats

	Note	Year ended December 31, 2021	Year ended December 31, 2020
Revenue	17	583,625	425,212
Net loss on financial assets at fair value through profit or loss	22	(3,034,761)	(275,606)
Dividend income		53,671	353,839
Cost of sales	18	(533,021)	(441,131)
Recovery / (loss) on write-down of inventories to net realisable value	8	1,084,591	(352,913)
Gross loss		(1,845,895)	(290,599)
Administrative and operating expenses	19	(501,240)	(451,570)
Operating loss		(2,347,135)	(742,169)
Mark-up income	16	413,333	322,833
Finance cost	11	(6,130)	(2,853)
Loss before income tax		(1,939,932)	(422,189)
Income tax benefit/(expense)	20	278,825	(15,693)
NET LOSS FOR THE YEAR		(1,661,107)	(437,882)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,661,107)	(437,882)

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 Mr. Elvin Ashirov
 General Manager




 Mr. Ruslan Gomeiko
 Finance Manager

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"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, 2020	31,001,200	(1,211,023)	29,790,177
Net 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
Net loss for the year	-	(1,661,107)	(1,661,107)
Total comprehensive loss for the year	-	(1,661,107)	(1,661,107)
Balance at December 31, 2021	31,001,200	(3,310,012)	27,691,188

Approved for the issue and signed on behalf of the Management on June 10, 2022.

Mr. Elvin Ashirov
General Manager



Mr. Ruslan Gomeiko
Finance Manager


"Caspian International Investment Company" CJSC
Consolidated Statement of Cash Flows

	Note	Year Ended December 31, 2021	Year Ended December 31, 2020
<i>In Azerbaijani Manats</i>			
Cash flow from operating activities			
Loss before income tax		(1,939,932)	(422,189)
Adjustments for:			
Net loss on financial assets at fair value through profit or loss	22	3,034,761	275,606
(Recovery) / loss on write-down of inventories to net realisable value	8	(1,084,591)	352,913
Depreciation and amortization	19	43,637	47,193
Mark-up income	16	(413,333)	(322,833)
Finance cost		6,130	2,853
Operating cash flows before working capital changes		(353,328)	(66,457)
Changes in tax prepayments		446,851	61,280
Changes in trade receivables		(44,580)	16,265
Changes in inventories		(21,067)	261,190
Changes in investments in subsidiaries		-	530
Changes in other current assets		(302,181)	(251,164)
Changes in other current liabilities		33,959	(16,355)
Changes in working capital		112,982	71,246
Income tax paid		(56,121)	(81,797)
Net cash used in operating activities		(296,467)	(76,508)
Cash flows from investing activities			
Payments for property and equipment		(1,749)	(2,902)
Investment in term deposits with bank		(5,300,000)	(4,200,000)
Withdrawal of term deposits with bank		4,200,000	4,000,000
Mark-up received from term deposits with bank		413,333	322,833
Net cash (used in)/ generated from investing activities		(688,416)	119,931
Principal payment for lease liability	11	(32,325)	(35,583)
Interest payment for lease liability	11	(6,130)	(2,853)
Net cash used in financing activities		(38,455)	(38,436)
Net (decrease)/increase in cash and cash equivalents		(1,023,338)	4,987
Cash and cash equivalents at the beginning of the year	13	6,304,504	6,299,517
Cash and cash equivalents at the end of the year	13	5,281,166	6,304,504

Approved for the issue and signed on behalf of the Management on June 10, 2022.


 Mr. Elvin Ashirov
 General Manager




 Mr. Ruslan Gommelko
 Finance Manager

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