

**“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, 2022**

Contents

Statement of Management's Responsibilities for the Preparation and Approval of the Consolidated Financial Statements	1
Independent Auditors' Report	2-3
Consolidated Financial Statements	
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	
1 CIIC Group and its Operations	8
2 Operating Environment of the Group	8
3 Summary of Significant Accounting Policies	9
4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies	17
5 Adoption of New or Revised Standards and Interpretations	18
6 New Accounting Pronouncements	19
7 Effect of Fair Value Adjustment on Other Investments	21
8 Balances and Transactions with Related Parties	21
9 Inventories	22
10 Trade Receivables	22
11 Other Current Assets	22
12 Lease Liabilities	23
13 Other Current Liabilities	24
14 Cash and Cash Equivalents	24
15 Term Deposits with Bank	24
16 Share Capital	25
17 Mark-up Income	26
18 Analysis of Revenue by Category	26
19 Cost of Sales	26
20 Administrative and Other Operating Expenses	26
21 Income Taxes	27
22 Contingencies and Commitments	28
23 Financial Assets at Fair Value through Profit or Loss	29
24 Investment in Unconsolidated Subsidiaries	29
25 Investment in Associate and Joint Venture	30
26 Principal Subsidiaries	30
27 Financial Risk Management	30
28 Fair Value of Financial Instruments	32
29 Management of Capital	34

INDEPENDENT AUDITORS' REPORT

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

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, 2022, 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, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 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 opinion.

Other Matter

In the audit report dated June 14, 2022, the qualified opinion was expressed on the consolidated financial statements of the Group for the year ended December 31, 2021 due to absence of necessary underlying data and also limitation to access to the financial and other information of "NAA Agrotara". Subsequently, the Group obtained access to physical assets of "NAA Agrotara" and carried out assessment of the investment. As a result of this assessment, the Group recognized loss in the amount of AZN 1,950,292. Effect of adjustment was recognized as at January 1, 2022. The fair value of this investment has not changed significantly during the year ended December 31, 2022.

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.

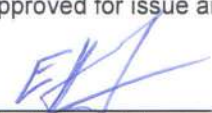
Baker Tilly Azerbaijan

April 14, 2023
Baku, the Republic of Azerbaijan

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

<i>In Azerbaijani Manats</i>	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment		92,819	95,829
Intangible assets		9,014	10,015
Financial assets at fair value through profit or loss			
Investments in subsidiaries	23, 24	4,375,113	4,643,902
Investments in associates	23, 25	2,597,343	3,456,209
Investments in joint ventures	23, 5	984,540	1,629,726
Other investment	23	842,590	2,792,881
Deferred income tax asset	21	865,241	340,566
Total non-current assets		9,766,660	12,969,128
Current assets			
Cash and cash equivalents	14	10,358,716	5,281,166
Term deposits with bank	15	-	5,300,000
Trade receivables	10	44,393	112,078
Inventories	9	2,447,677	3,248,713
Tax prepayments		28,701	78,529
Other current assets	11, 8	840,039	841,893
Total current assets		13,719,526	14,862,379
TOTAL ASSETS		23,486,186	27,831,507
EQUITY AND LIABILITIES			
Share capital	16	31,001,200	31,001,200
Accumulated deficit		(7,680,595)	(3,310,012)
TOTAL EQUITY		23,320,605	27,691,188
Current liabilities			
Lease liabilities	12	36,643	36,643
Other current liabilities	13	119,935	61,671
Total current liabilities		156,578	98,314
Non-current liabilities			
Lease liabilities	12	9,003	42,005
Total non-current liabilities		9,003	42,005
TOTAL LIABILITIES		165,581	140,319
TOTAL LIABILITIES AND EQUITY		23,486,186	27,831,507

Approved for issue and signed on behalf of the Management on April 14, 2023:


Mr. Elvin Ashirov
General Manager




Mr. Ruslan Gomeiko
Finance Manager

The accompanying notes on pages 8 to 34 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	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue	18	1,277,225	583,625
Net loss on financial assets at fair value through profit or loss	23	(2,327,372)	(3,034,761)
Dividend income		53,671	53,671
Cost of sales	19	(1,053,896)	(533,021)
(Write-down)/ Recovery of inventories to net realisable value	9	(74,959)	1,084,591
Gross loss		(2,125,331)	(1,845,895)
Administrative and operating expenses	20	(702,046)	(501,240)
Operating loss		(2,827,377)	(2,347,135)
Mark-up income	17	97,360	413,333
Purification expense		(89,440)	
Finance cost	12	(5,454)	(6,130)
Penalty for early withdrawal of deposits	15	(113,334)	-
Loss before income tax		(2,938,245)	(1,939,932)
Income tax benefit	21	517,954	278,825
NET LOSS FOR THE YEAR		(2,420,291)	(1,661,107)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,420,291)	(1,661,107)

Approved for issue and signed on behalf of the Management on April 14, 2023:


Mr. Elvin Ashirov
General Manager



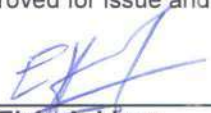

Mr. Ruslan Gmelko
Finance Manager

The accompanying notes on pages 8 to 34 are an integral part of these consolidated financial statements.

"Caspian International Investment Company" CJSC
Consolidated Statement of Changes in Equity

<i>In Azerbaijani Manats</i>	Share capital	Accumulated deficit	Total equity
Balance at January 1, 2021	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
Effect of fair value adjustment on other investment (Note 7)	-	(1,950,292)	(1,950,292)
Balance at January 1, 2022	31,001,200	(5,260,304)	25,740,896
Net loss for the year	-	(2,420,291)	(2,420,291)
Total comprehensive loss for the year	-	(2,420,291)	(2,420,291)
Balance at December 31, 2022	31,001,200	(7,680,595)	23,320,605

Approved for issue and signed on behalf of the Management on April 14, 2023.


Mr. Elvin Ashirov
General Manager




Mr. Ruslan Gomeiko
Finance Manager

The accompanying notes on pages 8 to 34 are an integral part of these consolidated financial statements.

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

	Note	Year Ended December 31, 2022	Year Ended December 31, 2021
<i>In Azerbaijani Manats</i>			
Cash flow from operating activities			
Loss before income tax		(2,938,245)	(1,939,932)
Adjustments for:			
Net loss on financial assets at fair value through profit or loss	23	2,327,372	3,034,761
Loss/recovery on write-down of inventories to net realisable value	9	74,959	(1,084,591)
Depreciation and amortization	20	41,900	43,637
Mark-up income	17	(97,360)	(413,333)
Finance cost		5,454	6,130
Penalty expense for early withdrawal of deposits	15	113,334	-
Operating cash flows before working capital changes		(472,586)	(353,328)
Changes in tax prepayments		56,187	446,851
Changes in trade receivables		67,685	(44,580)
Changes in inventories		690,148	(21,067)
Changes in investments in subsidiaries		169,955	-
Change in investments in associates and joint ventures		(724,487)	-
Changes in other current assets		1,854	(302,181)
Changes in other current liabilities		58,264	33,959
Changes in working capital		319,606	112,982
Income tax paid		(13,083)	(56,121)
Net cash used in operating activities		(166,063)	(296,467)
Cash flows from investing activities			
Payments for property and equipment		(1,958)	(1,749)
Investment in term deposits with bank		-	(5,300,000)
Withdrawal of term deposits with bank		5,300,000	4,200,000
Penalty paid for early withdrawal of deposits		(113,334)	-
Mark-up received from term deposits with bank		97,360	413,333
Net cash generated/(used in) from investing activities		5,282,068	(688,416)
Principal paid for lease liability	12	(33,000)	(32,325)
Interest paid for lease liability	12	(5,455)	(6,130)
Net cash used in financing activities		(38,455)	(38,455)
Net (decrease)/increase in cash and cash equivalents		5,077,550	(1,023,338)
Cash and cash equivalents at the beginning of the year	4	5,281,166	6,304,504
Cash and cash equivalents at the end of the year	4	10,358,716	5,281,166

Approved for issue and signed on behalf of the Management on April 14, 2023:


Mr. Elvin Ashirov
General Manager




Mr. Ruslan Gornelko
Finance Manager

The accompanying notes on pages 8 to 34 are an integral part of these consolidated financial statements.