

"NORM" Limited Liability Company

**Financial Statements
for the year ended 31 December 2017
and Independent Auditors' Report**

Norm Limited Liability Company
Statement of Financial Position as at 31 December 2017

| 000' AZN | Note | 31 December 2017 | 31 December 2016 |
|--|------|---------------------|---------------------|
| Assets | | | |
| Property, plant and equipment | 15 | 173,147 | 176,185 |
| Intangible assets | | 765 | 824 |
| Deferred income tax assets | 14 | 7,553 | 7,595 |
| Prepayment for property, plant and equipment | 16 | 4,385 | 2,972 |
| Non-current assets | | 185,850 | 187,576 |
| | | | |
| Inventories | 18 | 28,323 | 22,197 |
| Trade receivables | 19 | 15,802 | 23,318 |
| Other taxes receivable | 20 | 2,994 | 2,186 |
| Cash and cash equivalents | 21 | 575 | 418 |
| Other assets | 17 | 1,344 | 4,239 |
| Current assets | | 49,038 | 52,358 |
| Total assets | | 234,888 | 239,934 |
| | | | |
| Equity | | | |
| Share capital | 22 | 161,962 | 161,962 |
| Accumulated deficit | | (14,075) | (48,764) |
| Total equity | | 147,887 | 113,198 |
| | | | |
| Liabilities | | | |
| Loans and borrowings | 23 | 49,069 | 50,580 |
| Trade and other payables | 24 | 11,890 | 14,571 |
| Deferred income | 13 | 2,991 | 3,620 |
| Non-current liabilities | | 63,950 | 68,771 |
| | | | |
| Loans and borrowings | 23 | 9,249 | 42,917 |
| Trade and other payables | 24 | 12,147 | 12,767 |
| Deferred income | 13 | 629 | 629 |
| Other taxes payable | | 189 | 1,020 |
| Provisions for other liabilities and charges | | 837 | 632 |
| Current liabilities | | 23,051 | 57,965 |
| Total liabilities | | 87,001 | 126,736 |
| Total equity and liabilities | | 234,888 | 239,934 |

These financial statements were approved by management on 28 June 2018 and signed on its behalf by:

Mr. Henning Sasse
CEO



Mr. Fuad Behbud
CFO

Mr. Dunyamin Safaraliyev
Finance Manager

The statement of financial position is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 10 to 34

Norm Limited Liability Company
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2017

| 000' AZN | Note | 2017 | 2016 |
|---|------|---------------|---------------|
| Revenue | 7 | 126,272 | 85,992 |
| Cost of sales | 8 | (75,693) | (62,551) |
| Gross profit | | 50,579 | 23,441 |
| General and administrative expenses | 9 | (5,342) | (3,312) |
| Distribution expenses | 11 | (6,856) | (5,612) |
| Selling and marketing expenses | 10 | (3,021) | (2,458) |
| Reversal of impairment receivables/(impairment loss) on trade receivables | | 3,184 | (764) |
| Operating profit | | 38,544 | 11,295 |
| Finance income | | 4 | 1 |
| Finance costs | | (7,961) | (8,955) |
| Discounting of long-term payable | | 896 | (4,250) |
| Net foreign exchange gain/(loss) | 12 | 1,988 | (9,385) |
| Other income | | 1,260 | 12,651 |
| Profit before income tax | | 34,731 | 1,357 |
| Income tax expense | 14 | (42) | (1,055) |
| Profit and total comprehensive income for the year | | 34,689 | 302 |

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 10 to 34.

Norm Limited Liability Company
Statement of Changes in Equity for the year ended 31 December 2017

| | Share capital | Additional paid-in capital | Accumulated deficit | Total equity |
|--|----------------|----------------------------|---------------------|----------------|
| 000' AZN | | | | |
| Balance at 1 January 2016 | 124,394 | 33,715 | (49,066) | 109,043 |
| Total comprehensive income | | | | |
| Profit for the year | - | - | 302 | 302 |
| Total comprehensive income | - | - | 302 | 302 |
| Transactions with owners of the Company | | | | |
| Contributions and distributions | | | | |
| Other contributions | - | 3,853 | - | 3,853 |
| Issue of ordinary shares | 37,568 | (37,568) | - | - |
| Total contributions | 37,568 | (33,715) | - | 3,853 |
| Balance at 31 December 2016 | 161,962 | - | (48,764) | 113,198 |
| Balance at 1 January 2017 | 161,962 | - | (48,764) | 113,198 |
| Total comprehensive income | | | | |
| Profit for the year | - | - | 34,689 | 34,689 |
| Total comprehensive income | - | - | 34,689 | 34,689 |
| Balance at 31 December 2017 | 161,962 | - | (14,075) | 147,887 |

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 10 to 34.