

Azercell Telecom LLC

Consolidated IFRS financial statements

For the year ended 31 December 2021

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Consolidated financial statements

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Consolidated statement of financial position**As at 31 December 2021***(in thousands of Azerbaijani Manats)*

	31 December 2021	31 December 2020
Assets		
Non-current assets		
Property, plant and equipment	448,831	488,348
Intangible assets	68,720	69,148
Prepayments for non-current assets	20,086	20,066
Cost to obtain a contract	4,367	4,966
Right-of-use assets	2,995	4,753
Deferred income tax asset	13,680	6,602
Total non-current assets	558,679	593,883
Current assets		
Inventories	3,043	3,123
Cost to obtain a contract	6,000	6,000
Trade and other receivables	65,334	66,980
Short-term investments	31,050	102,170
Cash and cash equivalents	245,457	10,708
Restricted cash	498	521
Total current assets	351,382	189,502
Total assets	910,061	783,385
Liabilities		
Non-current liabilities		
Asset retirement obligations	5,174	4,460
Lease liabilities	2,500	3,217
Total non-current liabilities	7,674	7,677
Current liabilities		
Trade and other payables	138,875	130,209
Lease liabilities	717	1,728
Contract liabilities	32,080	34,786
Current tax liabilities	14,402	13,847
Total current liabilities	186,074	180,570
Total liabilities	193,748	188,247
Equity		
Share capital	42,080	42,080
Retained earnings	673,992	552,937
Equity attributable to equity holders of the parent	716,072	595,017
Non-controlling interests	241	121
Total equity	716,313	595,138
Total liabilities and equity	910,061	783,385

Consolidated statement of profit or loss and other comprehensive income**For the year ended 31 December 2021***(in thousands of Azerbaijani Manats)*

	2021	2020
Revenue	492,091	455,381
Total costs and expenses	(343,736)	(307,655)
Operating profit	148,355	147,726
Other income	174	195
Finance income	606	1,984
Finance costs	(832)	(762)
Profit before tax	148,303	149,143
Income tax expense	(27,128)	(44,977)
Profit for the year	121,175	104,166
Other comprehensive income	-	-
Total comprehensive income for the year	121,175	104,166
Attributable to:		
Equity holders of the parent	121,055	104,056
Non-controlling interests	120	110
	121,175	104,166

Consolidated statement of changes in equity**As at 31 December 2021***(in thousands of Azerbaijani Manats)*

	Share capital	Retained earnings	Total	Non- controlling interests	Total equity
Balance at 1 January 2020	42,080	993,854	1,035,934	11	1,035,945
Total comprehensive income for the year	–	104,056	104,056	110	104,166
Dividend paid	–	(544,973)	(544,973)	–	(544,973)
Balance at 31 December 2020	42,080	552,937	595,017	121	595,138
Total comprehensive income for the year	–	121,055	121,055	120	121,175
Balance at 31 December 2021	42,080	673,992	716,072	241	716,313

Consolidated statement of cash flows**For the year ended 31 December 2021***(in thousands of Azerbaijani Manats)*

	2021	2020
Cash flows from operating activities		
Profit before income tax	148,303	149,143
Adjustments for:		
Depreciation of property, plant and equipment	96,485	89,112
Amortisation of intangible assets	13,655	14,804
Depreciation of right-of-use assets	1,758	2,034
Charge for impairment of trade receivables	259	292
Finance income	(606)	(1,984)
Finance costs	832	762
Net foreign exchange (gain)/losses	404	(116)
Operating cash flows before working capital changes	261,090	254,047
Decrease/(Increase) in trade and other receivables	1,221	(16,554)
Decrease in inventories	80	22
Decrease/(Increase) in cost to obtain a contract	599	(604)
Decrease in restricted cash	23	1,638
Decrease in prepaid taxes	-	33,884
Increase in trade and other payables	4,715	33,296
(Decrease)/Increase in contract liabilities	(2,706)	4,594
Cash generated from operations	265,022	310,323
Current income tax paid	(33,485)	(30,562)
Net cash generated from operating activities	231,537	279,761
Cash flows from investing activities		
Withdrawal from short-term investments	71,043	116,010
Purchase of non-current assets	(65,903)	(143,981)
Interest received	683	1,404
Net cash generated from/(used) in investing activities	5,823	(26,567)
Cash flows from financing activities		
Dividends paid	-	(544,973)
Payment of principal portion of lease liabilities	(1,728)	(2,011)
Payment of interest portion of lease liabilities	(479)	(457)
Net cash used in financing activities	(2,207)	(547,441)
Net decrease in cash and cash equivalents	235,153	(294,247)
Cash and cash equivalents at the beginning of the year	10,708	304,839
Effect of exchange rate changes on the balance of cash held in foreign currency	(404)	116
Cash and cash equivalents at the end of the year	245,457	10,708