Azercell Telecom LLC Consolidated IFRS financial statements

For the year ended 31 December 2018

Contents

Consolidated financial statements

Consolidated statement of financial position	. '
Consolidated statement of profit or loss and other comprehensive income	
Consolidated statement of changes in equity	
Consolidated statement of cash flows	2

Consolidated statement of financial position

As at 31 December 2018

	31 December 2018	31 December 2017
Assets		
Non-current assets		
Property, plant and equipment	354,419	342,627
Intangible assets	85,539	93,718
Prepayments for non-current assets	16,631	3,865
Cost to obtain a contract	4,279	_
Total non-current assets	460,868	440,210
Current assets		
Inventories	2,852	5,158
Cost to obtain a contract	4,812	-
Prepaid taxes	38,323	73,823
Trade and other receivables	55,774	47,161
Short-term investments	297,500	156,409
Cash and cash equivalents	170,211	193,591
Restricted cash .	1,543	, <u> </u>
Total current assets	571,015	476,142
Total assets	1,031,883	916,352
Liabilities		
Non-current liabilities		
Asset retirement obligations	3,238	_
Deferred income tax liability	2,424	4,610
Total non-current liabilities	5,662	4,610
Current liabilities		
Trade and other payables	65,131	54,774
Deposits received from subscribers	3,932	6,943
Deferred income	22,391	21,287
Total current liabilities	91,454	83,004
Total liabilities	97,116	87,614
Equity		_
Share capital	42,080	42,080
Retained earnings	892,676	786,658
Equity attributable to equity holders of the parent	934,756	828,738
Non-controlling interests	11	_
Total equity	934,767	828,738
Total liabilities and equity	1,031,883	916,352
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Consolidated statement of profit or loss and other comprehensive income For the year ended 31 December 2018

	2018	2017
Revenue	421,193	411,441
Total costs and expenses	(286,206)	(397,151)
Operating profit	134,987	14,290
Finance income Foreign exchange loss on cash and cash equivalents	746	1,556 (13,041)
Profit before tax	135,733	2,805
Income tax expense	(35,498)	(22,162)
Profit/(loss) for the year	100,235	(19,357)
Attributable to:		
Equity holders of the parent	100,208	(19,357)
Non-controlling interests	27	
	100,235	(19,357)

Consolidated statement of changes in equity

As at 31 December 2018

_	Share capital	Retained earnings	Total	Non- controlling interests	Total equity
Balance at 1 January 2017 Total comprehensive loss for	42,080	806,015	848,095	-	848,095
the year	_	(19,357)	(19,357)	_	(19,357)
Balance at 31 December 2017	42,080	786,658	828,738	-	828,738
Balance at 1 January 2018	42,080	786,658	828,738	_	828,738
Impact of adopting IFRS 15 Balance at 1 January 2018	, <u> </u>	6,205	6,205	_	6,205
(restated)	42,080	792,863	834,943	-	834,943
Total comprehensive income for the year Acquisition of non-controlling	_	100,208	100,208	27	100,235
interest	_	(395)	(395)	(16)	(411)
Balance at 31 December 2018	42,080	892,676	934,756	11	934,767

Consolidated statement of cash flows

For the year ended 31 December 2018

Cash flows from operating activities 135,733 2,805 Profit before income tax 135,733 2,805 Adjustments for: Depreciation of property, plant and equipment 73,365 72,658 Amortisation of intangible assets 16,204 13,779 Impairment of trade receivables 2,774 4,382 Finance income (746) (1,556) Net foreign exchange losses 91 13,352 Operating cash flows before working capital changes 227,421 105,420 Increase in trade and other receivables (11,387) (12,017) Decrease in inventories 2,306 425 Increase in trade and other receivables (11,335) - Increase in inventories 2,306 425 Increase in cost to obtain a contract (1,335) - Increase in inventories 2,365 (46,425) Increase in trade and other payables 14,881 11,473 (Decrease)/increases in deposits received from subscribers (3,011) 2,192 Increase in trade and other payables (41,881 11,473		2018	2017 Restated
Depreciation of property, plant and equipment 73,365 72,658 Amortisation of intangible assets 16,204 13,779 Impairment of trade receivables 2,774 4,382 Finance income (746) (1,556) Net foreign exchange losses 91 13,352 Operating cash flows before working capital changes 227,421 105,420 Increase in trade and other receivables (11,387) (12,017) Decrease in inventories 2,306 425 Increase in cost to obtain a contract (1,335) - Increase in restricted cash (1,543) - Decrease/increase in prepaid taxes 2,365 (46,425) Increase in trade and other payables 14,881 11,473 (Decrease)/increase in deposits received from subscribers (3,011) 2,129 Increase in trade and other payables 4,881 11,473 (Decrease)/increase in deposits received from subscribers (3,011) 2,129 Increase in trade and other payables (4,000) 63,374 Current income tax paid (6,100) (57,410)		135,733	2,805
Depreciation of property, plant and equipment 73,365 72,658 Amortisation of intangible assets 16,204 13,779 Impairment of trade receivables 2,774 4,382 Finance income (746) (1,556) Net foreign exchange losses 91 13,352 Operating cash flows before working capital changes 227,421 105,420 Increase in trade and other receivables (11,387) (12,017) Decrease in inventories 2,306 425 Increase in cost to obtain a contract (1,335) - Increase in restricted cash (1,543) - Decrease/increase in prepaid taxes 2,365 (46,425) Increase in trade and other payables 14,881 11,473 (Decrease)/increase in deposits received from subscribers (3,011) 2,129 Increase in trade and other payables 4,881 11,473 (Decrease)/increase in deposits received from subscribers (3,011) 2,129 Increase in trade and other payables (4,000) 63,374 Current income tax paid (6,100) (57,410)	Adjustments for:		
Impairment of trade receivables 2,774 4,382 Finance income (746) (1,556) Net foreign exchange losses 91 13,352 Operating cash flows before working capital changes 227,421 105,420 Increase in trade and other receivables (11,387) (12,017) Decrease in inventories 2,306 425 Increase in cost to obtain a contract (1,335) -		73,365	72,658
Finance income (746) (1,556) Net foreign exchange losses 91 13,352 Operating cash flows before working capital changes 227,421 105,420 Increase in trade and other receivables (11,387) (12,017) Decrease in inventories 2,306 425 Increase in cost to obtain a contract (1,335) - Increase in restricted cash (1,543) - Decrease/(increase) in prepaid taxes 2,365 (46,425) Increase in trade and other payables 14,881 11,473 (Decrease)/increase in deposits received from subscribers (3,011) 2,129 Increase in deferred income 1,104 2,369 Cash generated from operations 230,801 63,374 Current income tax paid (6,100) (57,410) Net cash generated from operating activities 224,701 5,964 Cash flows from investing activities (141,091) (156,409) Purchase of non-current assets (107,234) (42,062) Interest received 746 1,556 Net cash used in investi			•
Net foreign exchange losses 91 13,352 Operating cash flows before working capital changes 227,421 105,420 Increase in trade and other receivables (11,387) (12,017) Decrease in inventories 2,306 425 Increase in restricted cash (1,543) — Increase in restricted cash (1,543) — Decrease/(increase) in prepaid taxes 2,365 (46,425) Increase in trade and other payables 14,881 11,473 (Decrease)/increase in deposits received from subscribers (3,011) 2,129 Increase in deferred income 1,104 2,369 Cash generated from operations 230,801 63,374 Current income tax paid (6,100) (57,410) Net cash generated from operating activities 224,701 5,964 Cash flows from investing activities (411,091) (156,409) Purchase of non-current assets (107,234) (42,062) Interest received 746 1,556 Net cash used in investing activities (247,579) (196,915) Cash		· · · · · · · · · · · · · · · · · · ·	
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Decrease in inventories 2,306 425 Increase in cost to obtain a contract (1,335) — Increase in restricted cash (1,543) — Decrease/(increase) in prepaid taxes 2,365 (46,425) Increase in trade and other payables 14,881 11,473 (Decrease)/increase in deposits received from subscribers (3,011) 2,129 Increase in deferred income 1,104 2,369 Cash generated from operations 230,801 63,374 Current income tax paid (6,100) (57,410) Net cash generated from operating activities 224,701 5,964 Cash flows from investing activities (141,091) (156,409) Purchase of non-current assets (107,234) (42,062) Interest received 746 1,556 Net cash used in investing activities (247,579) (196,915) Cash flows from financing activities (411) — Net cash used in financing activities (411) — Net cash used in financing activities (23,289) (190,951) Cash and ca	Operating cash flows before working capital changes	227,421	105,420
Increase in cost to obtain a contract (1,335)	Increase in trade and other receivables	(11,387)	(12,017)
Increase in restricted cash	Decrease in inventories	2,306	425
Decrease/(increase) in prepaid taxes 2,365 (46,425) Increase in trade and other payables 14,881 11,473 (Decrease)/increase in deposits received from subscribers (3,011) 2,129 Increase in deferred income 1,104 2,369 Cash generated from operations 230,801 63,374 Current income tax paid (6,100) (57,410) Net cash generated from operating activities 224,701 5,964 Cash flows from investing activities (141,091) (156,409) Payment for short-term investments (107,234) (42,062) Interest received 746 1,556 Net cash used in investing activities (247,579) (196,915) Cash flows from financing activities (411) - Acquisition of non-controlling interest (411) - Net cash used in financing activities (411) - Net cash used in financing activities (411) - Net cash used in financing activities (411) - Net cash and cash equivalents at the beginning of the year 193,591 397,583	Increase in cost to obtain a contract	(1,335)	_
Increase in trade and other payables (Decrease)/increase in deposits received from subscribers (Decrease)/increase in deposits received from operations (Decrease)/increase in deposits received from operations (Decrease)/increase in cash and cash equivalents (Decrease)/increase in deposits received from subscribers (Decrease in cash and cash equivalents (Decrease in cash and off cash equivalents (Decrease in cash and off cash equivalents (Decrease			_
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Cash generated from operations 230,801 63,374			
Cash generated from operations230,80163,374Current income tax paid(6,100)(57,410)Net cash generated from operating activities224,7015,964Cash flows from investing activities8Payment for short-term investments(141,091)(156,409)Purchase of non-current assets(107,234)(42,062)Interest received7461,556Net cash used in investing activities(247,579)(196,915)Cash flows from financing activities(411)-Acquisition of non-controlling interest(411)-Net cash used in financing activities(411)-Net decrease in cash and cash equivalents(23,289)(190,951)Cash and cash equivalents at the beginning of the year193,591397,583Effect of exchange rate changes on the balance of cash held in foreign currency(91)(13,041)	· · · · · · · · · · · · · · · · · · ·		
Current income tax paid Net cash generated from operating activities Cash flows from investing activities Payment for short-term investments Purchase of non-current assets Interest received Net cash used in investing activities Cash flows from financing activities Cash flows from financing activities Cash flows from financing activities Acquisition of non-controlling interest Acquisition of non-controlling activities Cash used in financing activities Cash used in financing activities Cash and cash equivalents at the beginning of the year Effect of exchange rate changes on the balance of cash held in foreign currency (91) (13,041)			
Net cash generated from operating activities Cash flows from investing activities Payment for short-term investments Purchase of non-current assets Interest received Intere	Cash generated from operations	230,801	63,374
Cash flows from investing activities Payment for short-term investments Purchase of non-current assets Interest received Interest received Net cash used in investing activities Cash flows from financing activities Acquisition of non-controlling interest Acquisition of non-controlling activities Net cash used in financing activities Cash and cash equivalents (23,289) Cash and cash equivalents at the beginning of the year Effect of exchange rate changes on the balance of cash held in foreign currency (91) (156,409) (126,409) (127,234) (42,062) (196,915) (247,579) (196,915) (247,579) (196,915)			
Payment for short-term investments Purchase of non-current assets Interest received	Net cash generated from operating activities	224,701	5,964
Payment for short-term investments Purchase of non-current assets Interest received	Cash flows from investing activities		
Interest received 746 1,556 Net cash used in investing activities (247,579) (196,915) Cash flows from financing activities Acquisition of non-controlling interest (411) - Net cash used in financing activities (411) - Net decrease in cash and cash equivalents (23,289) (190,951) Cash and cash equivalents at the beginning of the year 193,591 397,583 Effect of exchange rate changes on the balance of cash held in foreign currency (91) (13,041)		(141,091)	(156,409)
Net cash used in investing activities Cash flows from financing activities Acquisition of non-controlling interest Net cash used in financing activities (411) Net decrease in cash and cash equivalents (23,289) (190,951) Cash and cash equivalents at the beginning of the year Effect of exchange rate changes on the balance of cash held in foreign currency (91) (13,041)	Purchase of non-current assets	(107,234)	(42,062)
Cash flows from financing activities Acquisition of non-controlling interest Net cash used in financing activities Net decrease in cash and cash equivalents Cash and cash equivalents at the beginning of the year Effect of exchange rate changes on the balance of cash held in foreign currency (411) - (23,289) (190,951) 397,583 (91) (13,041)	Interest received	746	1,556
Acquisition of non-controlling interest Net cash used in financing activities (411) Net decrease in cash and cash equivalents (23,289) (190,951) Cash and cash equivalents at the beginning of the year Effect of exchange rate changes on the balance of cash held in foreign currency (91) (13,041)	Net cash used in investing activities	(247,579)	(196,915)
Acquisition of non-controlling interest Net cash used in financing activities (411) Net decrease in cash and cash equivalents (23,289) (190,951) Cash and cash equivalents at the beginning of the year Effect of exchange rate changes on the balance of cash held in foreign currency (91) (13,041)	Cash flows from financing activities		
Net cash used in financing activities(411)-Net decrease in cash and cash equivalents(23,289)(190,951)Cash and cash equivalents at the beginning of the year Effect of exchange rate changes on the balance of cash held in foreign currency193,591397,583		(411)	_
Cash and cash equivalents at the beginning of the year 193,591 397,583 Effect of exchange rate changes on the balance of cash held in foreign currency (91) (13,041)			-
Effect of exchange rate changes on the balance of cash held in foreign currency (91) (13,041)	Net decrease in cash and cash equivalents	(23,289)	(190,951)
in foreign currency (91) (13,041)		193,591	397,583
Cash and cash equivalents at the end of the year 170,211 193,591		(91)	(13,041)
	Cash and cash equivalents at the end of the year	170,211	193,591