“RETEMS GROUP” LLC

Consolidated Financial Statements and
Independent Auditor’s Report

For the years ended December 31, 2018, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the shareholders and director of "RETEMS GROUP" Limited Liability Company:

Opinion

We have audited the accompanying consolidated financial statements of "RETEMS GROUP" Limited Liability Company and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2018, 2017 and 2016 and the consolidated statements of profit or loss and other comprehensive income statement of changes in equity and consolidated cash flows statement for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanied consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2018, 2017 and 2016 and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Auditor's 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of 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 Groups' 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 has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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.

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.

Davud Mamedov MMC

28 June 2019
Baku, Azerbaijan

"RETEMS GROUP" LLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS 2018, 2017 AND 2016

(In Azerbaijani Manat unless otherwise stated)

	Notes	2018	2017	2016
Sales	3	11,525,371	3,953,580	1,175,259
Cost of services	4	(9,964,435)	(3,456,875)	(1,227,493)
Gross profit		**1,560,936**	**496,705**	**(52,234)**
Staff costs	7	(265,621)	(106,397)	(74,218)
Logistics expense		(95,713)	(28,193)	(2,613)
Other operating expenses	5	(271,597)	(111,431)	(28,845)
Operating profit		**928,005**	**250,684**	**(157,910)**
Interest expense		(16,273)	(335)	-
Foreign exchange gains/losses		(46,064)	(17,136)	3,960
Profit before tax		**865,668**	**233,213**	**(153,950)**
Income tax		(129,988)	(76,731)	(5,282)
Net profit		**735,680**	**156,482**	**(159,232)**
Other comprehensive income		-	-	-
Total comprehensive income		**735,680**	**156,482**	**(159,232)**

On behalf of the Management of the Group:

Orkhan Musayev	Niyaz Kalbiyev
Director	Chief Accountant
28 June 2019 Baku, Azerbaijan	28 June 2019 Baku, Azerbaijan

The notes on pages 7-17 form an integral part of these consolidated financial statements.

“RETEMS GROUP” LLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018, 2017 AND 2016
(In Azerbaijani Manat unless otherwise stated)

	Notes	31 December 2018	31 December 2017	31 December 2016
Current assets				
Cash and cash equivalents	8	289,090	1,618	1,861
Trade and other receivables	9	884,060	508,745	59,207
Total current assets		**1,173,150**	**510,363**	**61,068**
Non-current assets				
Property, plant and equipment	7	184,832	4,785	6,337
Total non-current assets		**184,832**	**4,785**	**6,337**
Total assets		**1,357,982**	**515,148**	**67,405**
Liabilities				
Short term bank loan		-	60,000	-
Trade and other payables	10	434,670	206,872	55,967
Total current liabilities		**434,670**	**266,872**	**55,967**
Equity				
Charter capital	12	200	200	200
Additional capital		259,614	247,218	166,862
Retained earnings/(Accumulated loss)		616,804	858	(155,624)
Total equity attributable to the owners of parent		**876,618**	**248,276**	**11,438**
Non-controlling interests		46,694	-	-
Total equity		**923,312**	**248,276**	**11,438**
Total liabilities and equity		**1,357,982**	**515,148**	**67,405**

On behalf of the Management of the Group:

Orkhan Musayev

Director

28 June 2019
Baku, Azerbaijan

Niyaz Kalbiyev

Chief Accountant

28 June 2019
Baku, Azerbaijan

The notes on pages 7-17 form an integral part of these consolidated financial statements.

“RETEMS GROUP” LLC

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2018, 2017 AND 2016
(In Azerbaijani Manat unless otherwise stated)

	Charter capital	Additional capital	Retained earnings/ Accumulated loss	Total equity attributable to the owners of parent	Non-controling interests	Total equity
January 1, 2016	**200**	**-**	**3,608**	3,808	-	3,808
Net profit	-	-	(159,232)	(159,232)	-	(159,232)
Capital injections	-	166,862	-	166,862	-	166,862
December 31, 2016	**200**	**166,862**	**(155,624)**	**11,438**	**-**	**11,438**
Net profit	-	-	156,482	156,482	-	156,482
Capital injections	-	80,356	-	80,356	-	80,356
December 31, 2017	**200**	**247,218**	**858**	**248,276**	**-**	**248,276**
Net profit	-	-	689,221	689,221	46,694	735,915
Dividends	-	-	(73,275)	(73,275)	-	(73,275)
Capital injections	-	12,396	-	12,396	-	12,396
December 31, 2018	**200**	**259,614**	**616,804**	**876,618**	**46,694**	**923,312**

On behalf of the Management of the Group:

Orkhan Musayev

Director

28 June 2019
Baku, Azerbaijan

Niyaz Kalbiyev

Chief Accountant

28 June 2019
Baku, Azerbaijan

The notes on pages 7-17 form an integral part of these consolidated financial statements.

“RETEMS GROUP” LLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2018, 2017 AND 2016
(In Azerbaijani Manat unless otherwise stated)

	2018	2017	2016
Operating Cahs flow			
Receipt from customers	11,141,157	3,513,012	1,121,854
Payments to suppliers	(9,694,672)	(3,313,500)	(1,169,501)
Payments to employees	(264,464)	(106,397)	(74,218)
Other operating expenses	(432,031)	(138,048)	(31,985)
Tax expenses	(139,158)	(95,331)	(7,682)
Total operating Cash Flow	**610,832**	**(140,264)**	**(161,532)**
Investment Cash Flow			
Purchase of property, plant and equipment	(173,812)	-	(450)
Total investment Cash Flow	**(173,812)**	**-**	**(450)**
Financing Cash Flow			
Capital injection	-	80,356	163,454
Dividends	(73,275)	-	-
Loans	(60,000)	60,000	-
Loan interest payment	(16,273)	(335)	-
Total financing Cash Flow	**(149,548)**	**140,021**	**163,454**
Net change in cash during the year	**287,472**	**(243)**	**1,472**
Cash at the beginning of the year	1,618	1,861	389
Cash at the en of the year	**289,090**	**1,618**	**1,861**

On behalf of the Management of the Group:

Orkhan Musayev

Director of “Retems Group LLC”

28 June 2019
Baku, Azerbaijan

Niyaz Kalbiyev

Chief Accountant

28 June 2019
Baku, Azerbaijan

The notes on pages 7-016 form an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

The consolidated financial statements of Retems Group LLC and its subsidiaries (collectively the “Group”) for the years ended 31 December 2018, 2017 and 2016 were authorized for issue in accordance with a resolution of the director on 28 June 2019.

Retems Group LLC (the “Parent”) has been operating since 2012. Parent has following divisions:
- Retems Logistics
- Retems Agro
- Retems Aqua

Retems logistics used to be the division of Retems Group LLC, however has been operating as a separate subsidiary since 2018, whereas Retems Agro and Retems Aqua still operate as divisions within Retems Group. Retems Logistics LLC is highly reputable business partner of CEVA in Azerbaijan committed to offer a high level of services to the customers and is member and accredited agent of FIATA.

In addition, Retems Group LLC has the Russian subsidiary which represents the Group in Russia and helps to access Russian logistics and trade market.

Retems group with all of its divisions and subsidiaries provide following services:
- Air freight;
- Ocean freight;
- Rail freight;
- Ground;
- Warehousing;
- 3pl;
- Custom clearance;
- Project management;
- Hl and shl shipment handling and transportation;
- Inland haulage;
- Sales and distribution of agricultural products.

Retems Logistics has networks in following regions, mainly because of partnership with CEVA and other international logistic organizations and companies:
- Europe,
- Middle East,
- Asia Pacific,
- Australia and New Zealand,
- Central America,
- North America

The Group's principal subsidiaries at 31 December 2018, 2017 and 2016 are set out below. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest held by the Group	Ownership interest held by non-controlling interests	Ownership interest held by the Group	Ownership interest held by non-controlling interests	Ownership interest held by the Group	Ownership interest held by non-controlling interests
		2018		2017		2016	
Retems Logistics LLC	Azerbaijan	51%	49%	-	-	-	-
OOO Retems Group	Russia	50%	50%	-	-	-	-

Retems Group LLC's registered address: Baku, Azerbaijan, Khan Shushinski street. Building 66.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

These consolidated financial statements are presented in Azerbaijan Manats ("AZN"), unless otherwise indicated. These consolidated financial statements have been prepared on the historical cost basis. The Group maintains their accounting records in accordance with local accounting practice. These consolidated financial statements have been prepared from the statutory accounting records and have been adjusted to conform to IFRS.

These consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at 31 December 2018, 2017 and 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent controls an investee if, and only if, the Parent has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Parent has less than a majority of the voting or similar rights of an investee, the Parent considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent's voting rights and potential voting rights

The Parent re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent gains control until the date the Parent ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Parent loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Functional and presentation currency

The functional currency of the Group, which reflects the economic substance of the underlying events and circumstances of the Group, is the national currency of the Republic of Azerbaijan, AZN. All amounts in these consolidated financial statements are presented in AZN, unless otherwise stated.

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the consolidated statement of financial position date.

All differences are taken to the consolidated statement of profit or loss and other comprehensive income to Foreign exchange gains/losses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The foreign exchange rates used by the Group in preparation of these consolidated financial statements are as follows:

	31-Dec-18	31-Dec-17	31-Dec-16
USD 1	1.7707	1.7001	1.7000
EUR 1	1.8644	2.0307	1.9468
RUB 1	0.0293	0.0295	0.0245

On consolidation, the assets and liabilities of foreign operations are translated into manats at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated or realized customer returns, discounts, commissions rebates, and taxes related to sales.

Revenue from Service contracts

Contract revenue

When the revenue of a service contract can be estimated reliably, contract revenue associated with the service contract shall be recognized by reference to the percentage of completion of the contract activity at the balance sheet date. Percentage of the completion is measured by the proportion of the contract costs incurred for work performed to date divided by the estimated total contract costs. This calculation does not apply if the stage of completion cannot be measured reliably. Changes in service contract, additional receivable claims and incentive payments are included in the project revenue in accordance with the consent of the employer.

When the outcome of a service contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

Contract costs

Service contract costs consist of direct costs such as all raw materials and direct labour expenses and indirect labour costs related with contract performance, equipment, maintenance, and depreciation expenses. Selling and general administration expenses are recognized when they occur. Provision for cost of estimated loss of incomplete contracts is recognized immediately in the year, which such loss is forecasted. Changes in estimated profitability due to business efficiency, business conditions, provisions for contact penalties and final contract arrangements can cause revisions in costs incurred and revenues obtained at the end of the project. Impact of these revisions is accounted for in the year in which such revision is made.

Revenue from Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Depreciation is recognized so as to write off the cost or valuation of assets other than freehold land and properties under service less their residual values over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives, residual values and depreciation/amortization methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis at the following annual rates:

Vehicle	20%
Work equipment	20%
Computer and other electronics	20%
Software	10%
Land	0%
Office equipment	20%
Other assets	20%

At the end of each reporting period, the Group reviews carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and a consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Cash and cash equivalents

Cash and cash equivalents are contributions that are easily convertible to pre-defined amount of cash and are subject to insignificant risk of change in value. Cash and cash equivalents include petty cash, current accounts with banks and deposits held with banks with original maturities of less than three months. Funds with restricted use for more than three months at the issue date are not included in cash and cash equivalents. Cash and cash equivalents are carried at amortized cost.

Trade and other receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance.

Trade and other payables

Trade and other payables are recognized when the counterparty performed its obligations under the contract. Payables are initially recognized at fair value and subsequently measured at amortized cost. Accounts payable are not remeasured because of short-term nature.

Taxation

Current income tax expenses are accrued in accordance with the legislation of Azerbaijan Republic.

Deferred tax assets are only determined to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences. Deferred income tax assets and liabilities are measured at the tax rates applied in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Azerbaijan also has value added tax, property tax, withholding tax and various other operational taxes, which are assessed on the Groups’ activities. These taxes are included general and administrative expenses as other tax expenses.

Value-added tax (VAT)

The tax authorities permit the settlement of sales and purchases value-added tax ("VAT") on a net basis. VAT payable

VAT payable represents VAT related to sales that is payable to tax authorities upon recognition of sales to customers, net of VAT on purchases which have been settled at the reporting date. VAT related to sales which have not been settled at the reporting date (VAT deferral) is also included in VAT payable. Where provision has been made for impairment of receivables, impairment charge is recorded for the gross amount of the debtor, including VAT where applicable. The related VAT payable is maintained until the debtor is written off for tax purposes.

VAT recoverable relates to purchases which have not been settled at the reporting date. VAT recoverable is reclaimable against VAT on sales upon payment for the purchases.

3. SALES

Sales comprises:

	2018	2017	2016
International sales	10,453,148	3,935,179	1,076,594
Domestic sales	1,051,492	18,401	63,102
Other income	20,731	-	35,563
Total	**11,525,371**	**3,953,580**	**1,175,259**

4. COST OF SERVICES

The cost of services mainly consists of the transportation costs, export duties, customs fees and commissions, cost of phytosanitary inspection of transferred products and obtaining phytosanitary certificate, material costs and other logistics related costs which may be divided into the Cost of international sales and the cost of domestic sales as shown below:

	2018	2017	2016
Cost of international sales	9,049,637	3,440,866	1,172,594
Cost of domestic sales	914,798	16,009	54,899
Total	**9,964,435**	**3,456,875**	**1,227,493**

5. OTHER OPERATING EXPENSES

Other operating expenses comprise:

	2018	2017	2016
Simplified tax for cash withdraws	72,532	14,519	7,485
Bank commissions	28,904	28,550	6,068
Travel expenses	27,292	2,907	-
Rent expenses	19,737	14,070	-
Insurance expenses	15,896	669	428
Electricity expenses	11,340	4,378	1,179
Petrol expenses	8,838	5,806	-
Printing expensen	7,345	5,373	-
Security expenses	6,600	4,470	3,328
Service fees	6,546	826	-
Telephone and call Communication expenses	6,211	6,649	4,467
Depreciation expenses	6,161	1,552	941
Inventory writing down	5,698	-	-
Repair and maintenance expenses	4,310	-	-
Translation fees	2,419	-	-
Other operating expenses	41,768	21,662	4,949
Total	**271,597**	**111,431**	**28,845**

Other operating expenses include such expenses as communal expenses, subscription fees of different online services, minor purchases of stationery products, cleaning expenses, printer cartridge setup costs and so on.

6. STAFF COSTS

Salary expenses comprise:

	2018	2017	2016
Wages	196,458	84,984	61,012
Taxes and social contributions	69,163	21,413	13,206
Total	**265,621**	**106,397**	**74,218**

7. PROPERTY, PLANT AND EQUIPMENT

Book value of property, plant and equipment comprise:

	Vehicle	Computer and other electronics	Software	Land	Other assets	Total
Opening 01.01.2016	**3,420**	**-**	**-**	**-**	**-**	**3,420**
Purchases	-	3,858	-	-	-	**3,858**
Depreciation expense	702	239	-	-	-	**941**
Closing 31.12.2016	**2,718**	**3,619**	**-**	**-**	**-**	**6,337**
Depreciation expense	781	771	-	-	-	**1,552**
Closing 31.12.2017	**1,937**	**2,848**	**-**	**-**	**-**	**4,785**
Purchases	44,577	18,617	7,173	100,700	15,141	**186,208**
Depreciation expense	2,557	1,868	676	-	1,060	**6,161**
Closing 31.12.2018	**43,957**	**19,597**	**6,497**	**100,700**	**14,081**	**184,832**

Purchases include contribution into the capital made by shareholders in the form of property, pland and equipment totalling to AZN 12,396 in 2018 and AZN 3,408 in 2016 and represent mostly furniture and fixture, computers and office equipment.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	2018	2017	2016
Cash in AZN	119,404	850	1,181
Cash in USD	152,404	323	333
Cash in EUR	10,088	66	27
Cash in RUB	2,760	-	-
Restricted cash in AZN	4,434	379	320
Total	**289,090**	**1,618**	**1,861**

9. TRADE AND OTHER RECEIVABLES

Receivables comprises:

	2018	2017	2016
Receivable form international sales	692,413	444,861	13,053
Receivable from domestic sales	148,184	18,615	8,615
Tax receivables	32,632	35,069	37,539
Other receivables	10,831	10,200	-
Total	**884,060**	**508,745**	**59,207**

10. TRADE AND OTHER PAYABLES

Payables comprises:

	2018	2017	2016
Payables to suppliers	433,513	206,872	55,967
Payable to employees	1,157	-	-
Total	**434,670**	**206,872**	**55,967**

11. RELATED PARTY TRANSACTIONS

Total salaries and compensation of key management personnel of Group for the years 2018, 2017 and 2016 are as following:

	2018	2017	2016
Salaries and compensation of key management	49,371	6,000	6,000

12. CHARTER CAPITAL

The charter capital of the Parent as at December 31, 2018, 2017 and 2016 comprises of 1 share with a nominal value of AZN 200. As at December 31, 2018, 2017 and 2016 shares fully belong to Musayev Orkhan Inqilabovich.

13. FINANCIAL RISK MANAGEMENT

The Group’s principal financial liabilities comprise bank loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group’s principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Risk management function covers financial risks which include credit risk, market risk and liquidity risk. The function aims at identifying risk limits and ensuring that the risks are maintained within those limits.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities namely from trade and other receivables.

Since the Group's trade receivables aging is less than 30 days, the effect of such exposure on consolidated financial statements is insignificant.

Trade and other receivables aging as at December 31, 2018, 2017 and 2016 is as follows:

	Less than 30 days	30-90 days	90 days – 1 year
Trade and other receivables of 2018	884,060	-	-
Trade and other receivables of 2017	508,745	-	-
Trade and other receivables of 2016	59,207	-	-

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group's exposure to foreign currency risk at the end of the reporting periods was as follows:

	December 31, 2018			December 31, 2017			December 31, 2016		
	USD	EUR	RUB	USD	EUR	RUB	USD	EUR	RUB
Cash and cash equivalents	152,404	10,088	2,760	323	27	-	333	-	-
Trade and other receivables	692,413	-	-	444,861	-	-	13,053	-	-
Bank loans	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	-	-

Liquidity risk

Liquidity risk is a risk that implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the 2018, 2017 and 2016 reporting periods the Group had AZN 289,090, AZN 1,618 and AZN 1,861 cash and cash equivalents and AZN 884,060, AZN 508,745 and AZN 59,207 of trade and other receivables accordingly that are expected to readily generate cash inflows for managing liquidity risk.

As at December 31, 2018, 2017 and 2016 the Group has the following financial liabilities:

Year 2018	Less than 1 month	1 - 3 months	3 months - 1 year	More than 1 year
Trade and other payables	434,670	-	-	-

Year 2017	Less than 1 month	1 - 3 months	3 months - 1 year	More than 1 year
Trade and other payables	206,872	-	-	-
Bank loan	60,000	-	-	-

Year 2016	Less than 1 month	1 - 3 months	3 months - 1 year	More than 1 year
Trade and other payables	55,967	-	-	-

14. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On May 6, 2019 Group received loan of AZN 102,012 from shareholder. On 1 and 2 July 2019 Group received loans of AZN 50,000 and AZN 135,000 from bank for covering operational expenses and trade liabilities.