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# Independent Auditors' Report

## To the Shareholders of Energy Invest Holding CJSC

### Opinion

We have audited the consolidated financial statements of Energy Invest Holding CJSC (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### 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 International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Armenia, 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.

### 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 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 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 has no realistic alternative but to do so.

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



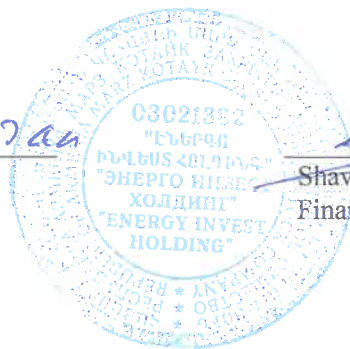
## Consolidated Statement of Financial Position as at 31 December 2021

'000 AMD	Note	<u>31 December 2021</u>	<u>31 December 2020</u>
<b>Assets</b>			
Property, plant and equipment	11	5,291,642	3,809,935
Intangible assets and goodwill	12	850,803	1,256,613
Borrowings given	13	8,031	408,462
Deferred tax assets	10	80,800	172,881
Prepayments for non-current assets		-	10,432
<b>Non-current assets</b>		<b><u>6,231,276</u></b>	<b><u>5,658,323</u></b>
Inventories		31,403	9,491
Borrowings given	13	8,747,121	10,907,914
Current tax assets		1,641	-
Trade and other receivables	14	292,288	140,192
Bank deposits	15	1,417,803	1,072,757
Cash and cash equivalents	16	424,151	145,478
<b>Current assets</b>		<b><u>10,914,407</u></b>	<b><u>12,275,832</u></b>
<b>Total assets</b>		<b><u>17,145,683</u></b>	<b><u>17,934,155</u></b>
<b>Equity</b>			
Share capital		2,706	13,190,000
Reserves		(158,424)	-
Capital distribution		(6,472,543)	(6,375,676)
Retained earnings		6,538,505	5,501,250
<b>Equity attributable to owners of the Company</b>		<b><u>(89,758)</u></b>	<b><u>12,315,574</u></b>
Non-controlling interests		902,212	48,570
<b>Total equity</b>	17	<b><u>812,454</u></b>	<b><u>12,364,144</u></b>
<b>Liabilities</b>			
Loans and borrowings	19	473,710	319,003
Deferred tax liabilities	10	631,373	627,160
<b>Non-current liabilities</b>		<b><u>1,105,083</u></b>	<b><u>946,163</u></b>
Loans and borrowings	19	3,338,445	4,532,841
Trade and other payables	20	11,747,920	61,840
Current tax liabilities		141,781	29,167
<b>Current liabilities</b>		<b><u>15,228,146</u></b>	<b><u>4,623,848</u></b>
<b>Total liabilities</b>		<b><u>16,333,229</u></b>	<b><u>5,570,011</u></b>
<b>Total equity and liabilities</b>		<b><u>17,145,683</u></b>	<b><u>17,934,155</u></b>

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2021

000 AMD	Note	2021	2020
Revenue	5	1,897,523	1,703,068
Cost of sales	6	(655,002)	(549,365)
<b>Gross profit</b>		<b>1,242,521</b>	<b>1,153,703</b>
Other income		496	740
Administrative expenses	7	(409,090)	(304,482)
Other expenses	8	(278,365)	(22,560)
<b>Results from operating activities</b>		<b>555,562</b>	<b>827,401</b>
Finance income	9	1,114,793	986,492
Finance expense	9	(388,344)	(277,262)
<b>Net finance income</b>		<b>726,449</b>	<b>709,230</b>
<b>Profit before income tax</b>		<b>1,282,011</b>	<b>1,536,631</b>
Income tax expense	10	(235,076)	(326,220)
<b>Profit and other comprehensive income for the year</b>		<b>1,046,935</b>	<b>1,210,411</b>
<b>Profit and other comprehensive income attributable to:</b>			
Owners of the Company		1,037,254	1,210,406
Non-controlling interests		9,683	5
		<b>1,046,937</b>	<b>1,210,411</b>

These consolidated financial statements were approved by management on 1 July 2022 and were signed on its behalf by:

 Armen Petrosyan General Director		 Shavarsh Hayrapetyan Finance Director
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## Consolidated Statement of Changes in Equity for 2021

'000 AMD	Attributable to equity holders of the Company					Non- controlling interests	Total equity
	Share capital	Reserves	Capital distribution	Retained earnings	Total		
Balance at 1 January 2020	13,190,000		(1,504,369)	4,290,844	15,976,475	49,192	16,025,667
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	1,210,406	1,210,406	5	1,210,411
<b>Total comprehensive income</b>	-	-	-	<b>1,210,406</b>	<b>1,210,406</b>	<b>5</b>	<b>1,210,411</b>
<b>Transactions with owners of the Company</b>							
Dividend declared	-	-	-	-	-	(627)	(627)
Other distributions	-	-	(4,871,307)	-	(4,871,307)	-	(4,871,307)
<b>Total transactions with owners of the Company</b>	-	-	<b>(4,871,307)</b>	-	<b>(4,871,307)</b>	<b>(627)</b>	<b>(4,871,934)</b>
<b>Balance at 31 December 2020</b>	<b>13,190,000</b>	<b>-</b>	<b>(6,375,676)</b>	<b>5,501,250</b>	<b>12,315,574</b>	<b>48,570</b>	<b>12,364,144</b>
Balance at 1 January 2021	13,190,000	-	(6,375,676)	5,501,250	12,315,574	48,570	12,364,144
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	1,037,254	1,037,254	9,683	1,046,936
<b>Total comprehensive income</b>	-	-	-	<b>1,037,254</b>	<b>1,037,254</b>	<b>9,683</b>	<b>1,046,936</b>
<b>Transactions with owners of the Company</b>							
Dividend declared	-	-	-	-	-	-	-
Other distributions and contributions (Notes 17(d) and 24)	-	-	(96,867)	-	(96,867)	-	(255,292)
Emission loss	-	(158,424)	-	-	(158,424)	-	-
Issue of share capital	341,000	-	-	-	341,000	-	341,000
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	843,959	843,959
Reduction of share capital	(13,528,294)	-	-	-	(13,528,294)	-	(13,528,294)
<b>Total transactions with owners of the Company</b>	<b>(13,187,294)</b>	<b>(158,424)</b>	<b>(96,867)</b>	-	<b>(13,442,585)</b>	<b>843,959</b>	<b>(12,598,627)</b>
<b>Balance at 31 December 2021</b>	<b>2,706</b>	<b>(158,424)</b>	<b>(6,472,543)</b>	<b>6,538,504</b>	<b>(89,758)</b>	<b>902,212</b>	<b>812,454</b>

## Consolidated Statement of Cash Flows for 2021

AMD'000	2021	2020
<b>Cash flows from operating activities</b>		
Profit	1,046,937	1,210,411
<i>Adjustments for:</i>		
Impairment gain/(losses) on financial assets	-	68,917
Depreciation and amortisation	437,970	369,891
Impairment losses on intangible assets	224,042	-
Loss on disposal of property, plant and equipment	31,912	-
Net finance income	(726,449)	(778,147)
Income tax expense	235,075	326,220
<i>Changes in:</i>		
Inventories	(6,952)	167
Trade and other receivables	(65,779)	(11,342)
Trade and other payables	(28,979)	(25,743)
<b>Cash flows from operations before income taxes and interest paid</b>	<b>1,151,704</b>	<b>1,160,126</b>
Income tax paid	(194,095)	(229,452)
Interest paid	(307,565)	(158,547)
<b>Net cash flows from operating activities</b>	<b>650,043</b>	<b>772,127</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(25,490)	(3,197)
Acquisition of intangible assets	(5,985)	(27,954)
Acquisition of subsidiaries, net of cash acquired	(303,643)	-
Borrowings given	(4,200)	(650,854)
Repayment of borrowings given	47,880	562,075
Interest received	91,511	22,184
Placement with bank deposits	(1,983,426)	(1,072,509)
Proceeds from bank deposits	2,444,283	891,556
<b>Net cash flows from/(used in) investing activities</b>	<b>260,931</b>	<b>(278,699)</b>
<b>Cash flow from financing activities</b>		
Proceeds from loans and borrowings	1,040,998	6,373,816
Repayment of loans and borrowings	(1,558,196)	(2,568,210)
Distribution of capital	-	(4,273,015)
Share value payment	(104,000)	-
<b>Net cash flows used in financing activities</b>	<b>(621,198)</b>	<b>(467,409)</b>
<b>Net increase in cash and cash equivalents</b>	<b>289,776</b>	<b>26,019</b>
Cash and cash equivalents at 1 January	145,478	121,199
Effect of exchange rate fluctuations on cash and cash equivalents	(11,103)	(1,740)
<b>Cash and cash equivalents at 31 December</b>	<b>424,151</b>	<b>145,478</b>