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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.



Auditors' 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 auditors' 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

The epgagement partner on the audit resulting in this independent auditors' report is:

Tigran Gasparyan Managing Partner, Director of KPMG Armenia Leg KPMC Armenia LL

KPMG Armenia LLC 1 July 2022



'000 AMD	Note	31 December 2021	31 December 2020
Assets			
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
Non-current assets		6,231,276	5,658,323
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
Current assets		10,914,407	12,275,832
Total assets		17,145,683	17,934,155
Equity			
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
Equity attributable to owners of the Company		(89,758)	12,315,574
Non-controlling interests		902,212	48,570
Total equity	17	812,454	12,364,144
Liabilities			
Loans and borrowings	19	473,710	319,003
Deferred tax liabilities	10	631,373	627,160
Non-current liabilities		1,105,083	946,163
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
Current liabilities		15,228,146	4,623,848
Total liabilities		16,333,229	5,570,011
Total equity and liabilities		17,145,683	17,934,155

Consolidated Statement of Financial Position as at 31 December 2021

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 44.

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

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

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

lostan Armen Petrosyan Shavarsh Hayrapetyan **General Director Finance Director**

Consolidated Statement of Changes in Equity for 2021

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

AMD'000	2021	2020
Cash flows from operating activities		
Profit	1,046,937	1,210,411
Adjustments for:		
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
Changes in:		
Inventories	(6,952)	167
Trade and other receivables	(65,779)	(11,342)
Trade and other payables	(28,979)	(25,743)
Cash flows from operations before income taxes and		
interest paid	1,151,704	1,160,126
Income tax paid	(194,095)	(229,452)
Interest paid	(307,565)	(158,547)
Net cash flows from operating activities	650,043	772,127
Cash flows from investing activities		
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
Net cash flows from/(used in) investing activities	260,931	(278,699)
Cash flow from financing activities		
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)	-
Net cash flows used in financing activities	(621,198)	(467,409)
Nat increase in cash and cash aquivalants	289,776	26,019
Net increase in cash and cash equivalents		
Cash and cash equivalents at 1 January	145,478 (11,103)	121,199
Effect of exchange rate fluctuations on cash and cash equivalents	·	(1,740)
Cash and cash equivalents at 31 December	424,151	145,478

Consolidated Statement of Cash Flows for 2021