

# Independent auditor's report

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Երևան Պլազա բիզնես կենտրոն  
ՀՀ, ք. Երևան 0015  
Գրիգոր Լուսավորչի 9  
Հ. + 374 10 50 09 64/61

**Grant Thornton CJSC**  
Yerevan Plaza Business Center  
9 Grigor Lusavorich Street,  
Yerevan 0015, Republic of Armenia  
T + 374 10 50 09 64/61

To the shareholder of Unicomp CJSC

## *Opinion*

We have audited the financial statements of Unicomp CJSC (the "Company"), which comprise the statement of financial position as of 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

## *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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. 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 Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company's 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Armen Hovhannisyan  
Chief Executive Officer

18 September 2023

Narine Achemyan, FCCA  
Audit Partner



# Statement of financial position

In thousand drams	Note	As of 31 December 2022	As of 31 December 2021
<b>Assets</b>			
<i>Non-current assets</i>			
Property and equipment	4	322,135	189,105
Intangible assets		694	726
Deferred income tax assets	5	20,610	27,912
Borrowings provided	6	-	207,952
		<u>343,439</u>	<u>425,695</u>
<i>Current assets</i>			
Inventories	7	318,791	255,957
Borrowings provided	6	212,592	-
Trade and other receivables	8	85,746	83,459
Cash and bank balances	9	458,935	81,307
		<u>1,076,064</u>	<u>420,723</u>
<b>Total assets</b>		<u><u>1,419,503</u></u>	<u><u>846,418</u></u>
<b>Equity and liabilities</b>			
<i>Capital and reserves</i>			
Share capital	10	50,100	50,100
Accumulated profit/(loss)		207,504	(38,127)
		<u>257,604</u>	<u>11,973</u>
<i>Non-current liabilities</i>			
Bank loans	11	89,520	112,220
Grants		3,780	12,933
Lease liabilities	12	211,634	157,684
		<u>304,934</u>	<u>282,837</u>
<i>Current liabilities</i>			
Bank loans	11	78,685	289,361
Current portion of lease liabilities	12	30,148	17,625
Trade and other payables	13	715,227	232,926
Current income tax liabilities		32,905	11,696
		<u>856,965</u>	<u>551,608</u>
<b>Total equity and liabilities</b>		<u><u>1,419,503</u></u>	<u><u>846,418</u></u>

The financial statements were approved on 18 September 2023 by:

Armen Baldryan  
Chief Executive Officer



Karine Zakharyan  
Chief Accountant




The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.

# Statement of profit or loss and other comprehensive income

In thousand drams	Note	Year ended 31 December 2022	Year ended 31 December 2021
Revenue from contracts	14	1,991,121	1,756,083
Cost of sales	15	(1,488,352)	(1,405,714)
Gross profit		502,769	350,369
Other income	16	72,010	35,180
Selling expenses	17	(71,668)	(57,047)
Administrative expenses	18	(153,778)	(148,937)
Other operating expenses	19	(12,343)	(92,213)
Profit from operating activities		336,990	87,352
Finance costs	20	21,952	30,319
Finance income	20	(50,898)	(77,063)
Foreign currency exchange (loss)/gain, net	21	(12,575)	16,369
Profit before income tax		295,469	56,977
Income tax expense	22	(49,838)	(22,381)
Profit for the year		245,631	34,596
Other comprehensive income		-	-
Total comprehensive income for the year		245,631	34,596

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.

# Statement of changes in equity

In thousand drams	Share capital	Accumulated profit/(loss)	Total
as of 1 January 2021	50,100	(72,723)	(22,623)
Profit for the year	-	34,596	34,596
Total comprehensive loss for the year	-	34,596	34,596
as of 31 December 2021	50,100	(38,127)	11,973
Profit for the year	-	245,631	245,631
Total comprehensive loss for the year	-	245,631	245,631
as of 31 December 2022	50,100	207,504	257,604

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.

# Statement of cash flows

In thousand drams	Year ended 31 December 2022	Year ended 31 December 2021
<b>Cash flows from operating activities</b>		
Profit for the year	245,631	34,596
<i>Adjustments for:</i>		
Depreciation	40,038	32,514
Interest expense	50,898	77,063
Income from grants	(9,153)	(9,441)
Income from remeasurement of lease liabilities	(24,971)	-
Income tax expense	49,838	22,381
Foreign exchange loss/(gain)	12,575	(16,369)
<i>Operating profit before working capital changes</i>	<u>364,856</u>	<u>140,744</u>
Changes in borrowings provided	(4,640)	14,657
Change in trade and other receivables	(23,143)	(897)
Change in inventories	(62,834)	10,846
Change in trade and other payables	490,690	72,303
<i>Cash generated from operations</i>	<u>764,929</u>	<u>237,653</u>
Interest paid	(18,635)	(47,422)
Income tax paid	(21,327)	(3,321)
<i>Net cash from operating activities</i>	<u>724,967</u>	<u>186,910</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment and intangible assets	(59,102)	(1,338)
<i>Net cash used in investing activities</i>	<u>(59,102)</u>	<u>(1,338)</u>
<b>Cash flows from financing activities</b>		
Lease payments	(45,600)	(36,000)
Proceeds from bank loans	130,525	478,126
Repayment of bank loans	(361,121)	(569,784)
<i>Net cash used in financing activities</i>	<u>(276,196)</u>	<u>(127,658)</u>
Net increase in cash and bank balances	389,669	57,914
Foreign exchange effect on cash	(12,041)	(226)
Cash and bank balances at the beginning of the year	<u>81,307</u>	<u>23,619</u>
Cash and bank balances at the end of the year	<u>458,935</u>	<u>81,307</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.