

**Teghout cjsc**




**Financial Statements  
for 2016**

'000 AMD	Note	31 December 2016	31 December 2015
<b>Assets</b>			
Property, plant and equipment	13	96,933,637	136,743,352
Intangible assets		238,278	242,261
Prepayments for non-current assets		338	849
Value-added tax recoverable		-	474,715
Deferred tax assets	12	380,131	1,172,543
<b>Non-current assets</b>		<b>97,552,384</b>	<b>138,633,720</b>
Inventories	14	12,731,145	9,205,073
Trade and other receivables	15	4,149,760	776,099
Prepayments for current assets and expenses		291,126	893,636
Value-added tax recoverable		4,933,138	9,390,615
Cash and cash equivalents	16	3,974,651	2,303,866
<b>Current assets</b>		<b>26,079,820</b>	<b>22,569,289</b>
<b>Total assets</b>		<b>123,632,204</b>	<b>161,203,009</b>
<b>Equity</b>			
Share capital	17	3,100,100	3,100,100
Additional paid-in capital	19	5,021,168	13,237,691
Accumulated loss		(85,669,383)	(48,834,286)
<b>Total equity</b>		<b>(77,548,115)</b>	<b>(32,496,495)</b>
<b>Liabilities</b>			
Value-added tax payable		-	474,715
Loans and borrowings	19	3,507,043	10,628,492
Financial instruments at fair value through profit or loss	20	3,292,243	-
Provision for site restoration	21	369,277	433,529
<b>Non-current liabilities</b>		<b>7,168,563</b>	<b>11,536,736</b>
Loans and borrowings	19	190,441,678	170,977,131
Provision for site restoration		67,816	80,153
Trade and other payables	22	3,502,262	11,105,484
<b>Current liabilities</b>		<b>194,011,756</b>	<b>182,162,768</b>
<b>Total liabilities</b>		<b>201,180,319</b>	<b>193,699,504</b>
<b>Total equity and liabilities</b>		<b>123,632,204</b>	<b>161,203,009</b>

*Teghout cjsc*  
Statement of Profit or Loss and Other Comprehensive Income for 2016

'000 AMD	Note	2016	2015
Revenue	6	67,027,723	51,425,617
Cost of sales	7	(37,431,942)	(30,632,455)
<b>Gross profit</b>		<b>29,595,781</b>	<b>20,793,162</b>
Other income	8	1,001,015	816,079
Selling expenses		(397,778)	(266,146)
Administrative expenses	9	(3,252,001)	(2,944,003)
Other expenses	10	(42,470,970)	(30,663,625)
<b>Results from operating activities</b>		<b>(15,523,953)</b>	<b>(12,264,533)</b>
Finance costs	11	(18,464,602)	(20,561,593)
<b>Loss before income tax</b>		<b>(33,988,555)</b>	<b>(32,826,126)</b>
Income tax (expense)/benefit	12	(2,846,542)	4,434,135
<b>Loss and total comprehensive loss for the year</b>		<b>(36,835,097)</b>	<b>(28,391,991)</b>

These financial statements were approved by management on 1 September 2017 and were signed on its behalf by:

 <hr style="border: 0; border-top: 1px solid black;"/> Valery Mejlumyan General Director		 <hr style="border: 0; border-top: 1px solid black;"/> Mkrtych Petrosyan Chief Accountant
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'000 AMD	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Accumulated loss</u>	<u>Total</u>
Balance at 1 January 2015	3,100,100	16,053,710	(20,442,295)	(1,288,485)
<b>Total comprehensive loss</b>				
Loss for the year	-	-	(28,391,991)	(28,391,991)
<b>Transactions with owners, recorded directly in equity</b>				
Initial discount on low interest loans and borrowings received from shareholder net of deferred tax of AMD 144,086 thousand (note 12)	-	576,343	-	576,343
Effect of early repayment of loans and borrowings to Shareholder, net of deferred tax of AMD 848,091 thousand (note 12)	-	(3,392,362)	-	(3,392,362)
<b>Total transactions with owners</b>	-	<b>(2,816,019)</b>	-	<b>(2,816,019)</b>
<b>Balance at 31 December 2015</b>	<b>3,100,100</b>	<b>13,237,691</b>	<b>(48,834,286)</b>	<b>(32,496,495)</b>
Balance at 1 January 2016	3,100,100	13,237,691	(48,834,286)	(32,496,495)
<b>Total comprehensive loss</b>				
Loss for the year	-	-	(36,835,097)	(36,835,097)
<b>Transactions with owners, recorded directly in equity</b>				
Effect of early repayment of loans and borrowings to Shareholder, net of deferred tax of AMD 2,054,130 thousand (note 12)	-	(8,216,523)	-	(8,216,523)
<b>Balance at 31 December 2016</b>	<b>3,100,100</b>	<b>5,021,168</b>	<b>(85,669,383)</b>	<b>(77,548,115)</b>

'000 AMD	Note	2016	2015
<b>Cash flows from operating activities</b>			
Cash receipts from customers, including VAT		67,747,689	56,631,066
Cash paid to suppliers and employees, including VAT		(35,456,513)	(25,502,051)
VAT refund received from State budget		6,809,154	4,230,757
VAT paid to State budget		(3,393,053)	(2,826,757)
Royalty paid		(7,873,732)	-
Taxes paid other than on income		(2,609,591)	(2,609,235)
<b>Cash flows from operations before interest paid</b>		<b>25,223,954</b>	<b>29,923,780</b>
Interest paid		(2,960,642)	(5,169,366)
<b>Net cash from operating activities</b>		<b>22,263,312</b>	<b>24,754,414</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(10,523,321)	(15,718,758)
Acquisition of intangible assets		(4,615)	(18,080)
Proceeds from sale of property, plant and equipment		330	20,760
<b>Net cash used in investing activities</b>		<b>(10,527,606)</b>	<b>(15,716,078)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings		8,578,917	9,225,901
Repayment of loans and borrowings		(18,684,788)	(16,567,354)
<b>Net cash used in financing activities</b>		<b>(10,105,871)</b>	<b>(7,341,453)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,629,835</b>	<b>1,696,883</b>
Cash and cash equivalents at 1 January		2,303,866	580,443
Effect of exchange rate fluctuations on cash and cash equivalents		40,950	26,540
<b>Cash and cash equivalents at 31 December</b>	16	<b>3,974,651</b>	<b>2,303,866</b>