

Sagamar CJSC

Financial Statements  
for the year ended 31 December 2020

Contents

Statement of Financial Position	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6

'000 AMD	31 December 2019	31 December 2020
<b>Assets</b>		
Property, plant and equipment	7,735,238	7,072,154
Intangible assets	35,730	35,730
Mining property	1,271,562	2,143,038
Prepayments for non-current assets	839	-
Exploration and evaluation assets	-	-
Current tax asset	-	-
Trade and other receivables	-	-
<b>Non-current assets</b>	<b>9,043,369</b>	<b>9,250,922</b>
Inventories	1,682,109	1,939,250
Current tax asset	1,891	14,661
Prepayments for current assets	486	771
Trade and other receivables	20,590	34,409
Cash and cash equivalents	333,160	48,757
<b>Current assets</b>	<b>2,038,236</b>	<b>2,037,848</b>
<b>Total assets</b>	<b>11,081,605</b>	<b>11,288,770</b>
<b>Equity</b>		
Share capital	976,915	976,915
Additional paid-in capital	10,895,216	10,895,216
Accumulated losses	(40,452,468)	(37,259,268)
<b>Total equity</b>	<b>(28,580,337)</b>	<b>(25,387,137)</b>
<b>Liabilities</b>		
Loans and borrowings	33,974,275	30,744,307
Deferred tax liabilities	-	-
<b>Non-current liabilities</b>	<b>33,974,275</b>	<b>30,744,307</b>
Loans and borrowings	5,673,599	5,720,830
Trade and other payables	14,068	210,770
<b>Current liabilities</b>	<b>5,687,667</b>	<b>5,931,600</b>
<b>Total liabilities</b>	<b>39,661,942</b>	<b>36,675,907</b>
<b>Total equity and liabilities</b>	<b>11,081,605</b>	<b>11,288,770</b>

*Sagamar CJSC*  
*Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020*

'000 AMD	2019	2020
Revenue	4,495	753
Cost of sales	-	(48)
Gross profit	4,495	705
Distribution expenses	(50)	(990)
Administrative expenses	(156,389)	(160,467)
Other expenses	(441,684)	-
Results from operating activities	(593,628)	(160,752)
other operating income, including		3,488,392
other operating expenses, including		(912,098)
Finance costs		-
Other operating income / loss		(293,832)
Loss before income tax	(593,628)	2,121,710
Income tax benefit/(expense)		
Loss and total comprehensive loss for the year	(593,628)	2,121,710

These financial statements were approved by management on 23 June 2021 and were signed on its behalf by:



Naira Davtyan  
 Accounting qualification  
 certificate N 1174

*Sagamar CJSC*  
*Statement of Changes in Equity for the year ended 31 December 2020*

'000 AMD	Share capital	Additional paid-in capital	Accumulated losses	Total
Balance at 1 January 2019	976,915	10,895,216	(39,858,840)	(27,986,709)
Clarify				
Total comprehensive loss for the year	976,915	10,895,216	(39,858,840)	(27,986,709)
Loss and total comprehensive loss for the year	-	-	(593,628)	(593,628)
Transactions with owners of the Company				
Contributions and distributions				
Initial discount on zero and low interest loans received from related parties				
Total transactions with owners of the Company				
Balance at 1 January 2020	976,915	10,895,216	(40,452,468)	(28,580,337)
Balance at 1 January 2020	976,915	10,895,216	(40,452,468)	(28,580,337)
Clarify				
Total comprehensive loss for the year				
Loss and total comprehensive loss for the year			2,121,710	2,121,710
Transactions with owners of the Company				
Contributions and distributions				
Difference on substantial modification of loan terms and revers of initial discount on zero and low interest loans received from related parties	-	-	-	-
Clarify			1,071,490	1,071,490
Total transactions with owners of the Company	-	-	-	-
Balance at 31 december 2020	976,915	10,895,216	(37,259,268)	(25,387,137)

*Sagamar CJSC*  
Statement of Cash Flows For the year ended 31 December 2020

'000 AMD	2019	2020
<b>Cash flows from operating activities</b>		
Cash received from customers, inclusive VAT	4,821	5,195
Cash paid to suppliers, inclusive VAT	(71,862)	(123,784)
Cash paid to employees	(117,769)	(97,295)
Income tax paid	-	(1,970)
VAT received back from tax authorities	322,939	-
ROYALTY received back from tax authorities	52,600	-
Payment of taxes other than income tax	(48,231)	(47,540)
Other	(10,806)	(41,025)
<b>Net cash used in operating activities</b>	<b>131,692</b>	<b>(306,419)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	100,372	13,649
Acquisition of assets for the exploration and evaluation of mineral resources	-	-
Acquisition of mining property	-	-
Acquisition of property, plant and equipment	(1,093)	(4,069)
<b>Net cash used in investing activities</b>	<b>99,279</b>	<b>9,580</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	191,022	15,770
Repayment of borrowings	(93,715)	-
Interest paid	-	-
Advances received from related parties	-	-
<b>Net cash from financing activities</b>	<b>97,307</b>	<b>15,770</b>
<b>Net decrease in cash and cash equivalents</b>	<b>328,278</b>	<b>(281,069)</b>
<b>Cash and cash equivalents at 1 January 2020</b>	<b>4,998</b>	<b>333,160</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(116)	(3,335)
<b>Cash and cash equivalents at 31 December 2020</b>	<b>333,160</b>	<b>48,756</b>