

Sagamar CJSC

Financial Statements
for the year ended 31 December 2022

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 2022	31 December 2021
Assets		
Property, plant and equipment	6,699,655	6,568,642
Intangible assets	35,730	35,730
Mining property	2,885,087	2,644,091
Prepayments for non-current assets	-	-
Exploration and evaluation assets	-	-
Current tax asset	-	-
Trade and other receivables	-	-
Non-current assets	9,620,112	9,248,463
Inventories	1,986,734	1,935,468
Current tax asset	25,212	89,152
Prepayments for current assets	70,708	2,063
Trade and other receivables	281,838	48,708
Cash and cash equivalents	17,512	15,766
Current assets	2,382,004	2,091,157
Total assets	12,002,116	11,339,620
Equity		
Share capital	976,915	976,915
Additional paid-in capital	10,895,216	10,895,216
Accumulated losses	(31,316,536)	(37,858,035)
Total equity	(19,444,405)	(25,985,904)
Liabilities		
Loans and borrowings	26,232,620	31,106,157
Deferred tax liabilities	-	-
Non-current liabilities	26,232,620	31,106,157
Loans and borrowings	4,838,862	5,874,574
Trade and other payables	375,039	344,793
Current liabilities	5,213,901	6,219,367
Total liabilities	31,446,521	367,325,524
Total equity and liabilities	12,002,116	11,339,620

Sagamar CJSC
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022

'000 AMD	2020	2021
Revenue	14,998	13
Cost of sales	(8,098)	(13)
Gross profit	6,900	-
Distribution expenses	(9,692)	-
Administrative expenses	(231,237)	(174,435)
Other expenses	-	-
Results from operating activities	(234,029)	(174,435)
Other operating income, including	9,293	24,109
Other operating expenses, including	(476,041)	(631,625)
Finance costs	-	-
Other operating income / loss	6,784,993	182,887
Loss before income tax	6,084,216	(599,064)
Income tax benefit/(expense)	-	-
Loss and total comprehensive loss for the year	6,084,216	(599,064)

These financial statements were approved by management on June 22, 2023 and were signed on its behalf by:

Stanislav Morozov
CEO



Naira Davtyan
Accountant
Civil law contract from
29/05/2023

Sagamar CJSC
Statement of Changes in Equity for the year ended 31 December 2022

'000 AMD	Share capital	Additional paid-in capital	Accumulated losses	Total
Balance at 1 January 2021	976,915	10,895,216	(37,259,268)	(25,387,137)
Clarify			297	297
Total comprehensive loss for the year				
Loss and total comprehensive loss for the year	-	-	(599,064)	(599,064)
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 31 December 2021	976,915	10,895,216	(37,858,035)	(25,985,904)
Balance at 1 January 2022	976,915	10,895,216	(37,858,035)	(25,985,904)
Clarify				
Total comprehensive loss for the year				
Loss and total comprehensive loss for the year			6,084,216	6,084,216
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			(110)	(110)
Growth from revaluation of fixed assets			457,393	457,393
Total transactions with owners of the Company	-	-	-	-
Balance at 31 december 2022	976,915	10,895,216	(31,316,536)	(19,444,405)

'000 AMD	2022	2021
Cash flows from operating activities		
Cash received from customers, inclusive VAT	69,239	51
Cash paid to suppliers, inclusive VAT	(394,776)	(439,540)
Cash paid to employees	(167,189)	(118,538)
Income tax paid	-	-
VAT received back from tax authorities	80,000	-
ROYALTY received back from tax authorities	-	-
Payment of taxes other than income tax	(78,272)	(79,747)
Other	(32,301)	(21,491)
Net cash used in operating activities	(523,299)	(659,265)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	-
Acquisition of assets for the exploration and evaluation of mineral resources	(174,082)	-
Acquisition of mining property	-	-
Acquisition of property, plant and equipment	(42,040)	(250)
Net cash used in investing activities	(216,122)	(250)
Cash flows from financing activities		
Proceeds from borrowings	709,223	625,649
Repayment of borrowings	(46,814)	(3,000)
Interest paid	-	-
Advances received from related parties	82,179	-
Net cash from financing activities	744,588	622,649
Net decrease in cash and cash equivalents	5,167	(36,866)
Cash and cash equivalents at 1 January	15,766	48,756
Effect of exchange rate fluctuations on cash and cash equivalents	(3,421)	3,876
Cash and cash equivalents at 31 December	17,521	15,766