

NASDAQ OMX Armenia OJSC and its subsidiary

Summary consolidated financial statements

Year ended 31 December 2017

With independent auditors' report

Contents

Independent auditors' report on the summary consolidated financial statements

Summary consolidated financial statements

Summary consolidated statement of financial position	1
Summary consolidated statement of comprehensive income	2
Summary consolidated statement of changes in equity	3
Summary consolidated statement of cash flows	4
Note 1	5

Independent auditor's report on the summary consolidated financial statements

To the Shareholders and Supervisory Board of
NASDAQ OMX Armenia open joint-stock company

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as of 31 December 2017, and the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year ended 31 December 2017, and a related note, are derived from the complete audited consolidated financial statements of NASDAQ OMX Armenia OJSC and its subsidiary (together, the Group) for the year ended 31 December 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 27 April 2018.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of a summary of the complete audited consolidated financial statements in accordance with the basis described in Note 1.



**Կառուցելով
բարեկեցիկ աշխարհ**

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

CJSC Ernst & Young
Yerevan, Armenia

On behalf of General Director A. Sarkisyan
(by power of attorney dated 1 August 2016)
Partner (Assurance)

Lucy

Eric Hayrapetyan

27 April 2018



Summary consolidated statement of financial position
as at 31 December 2017

	2017 AMD '000	2016 AMD '000
Assets		
Non-current assets		
Property, plant and equipment	15,266	19,680
Intangible assets	56,148	30,839
Deferred tax assets	8,939	7,179
Other non-current assets	1,452	1,452
	<u>81,805</u>	<u>59,150</u>
Current assets		
Trade and other receivables	61,858	59,594
Prepayments	24,588	8,701
Income tax prepayment	2,137	346
Operating taxes prepayments	1,531	1,220
Term deposits in banks	-	137,525
Cash and cash equivalents	374,461	164,124
	<u>464,575</u>	<u>371,510</u>
Total assets	<u>546,380</u>	<u>430,660</u>
Equity and liabilities		
Equity		
Issued capital	89,220	89,220
Statutory reserve	15,356	15,356
Retained earnings	390,364	279,512
Total equity	<u>494,940</u>	<u>384,088</u>
Current liabilities		
Trade and other payables	8,492	15,555
Current income tax liabilities	6,621	1,777
Deferred tax liabilities	5,702	1,270
Advances received	4,432	5,005
Provisions	26,193	22,965
Total liabilities	<u>51,440</u>	<u>46,572</u>
Total equity and liabilities	<u>546,380</u>	<u>430,660</u>

Signed and authorized for release on behalf of the Directorate of the Group

Chief Executive Officer

Hayk Yeganyan

Chief Accountant

Elena Melik-Karamova

27 April 2018

Summary consolidated statement of comprehensive income
for the year ended 31 December 2017

	<i>2017</i>	<i>2016</i>
	<i>AMD '000</i>	<i>AMD '000</i>
Revenue	571,168	464,150
Payroll expenses	(226,494)	(204,846)
Utility and postal expenses	(22,578)	(20,827)
Reversal of bad debt and other provisions	5,216	5,286
Business trip and representative expenses	(17,519)	(17,515)
Depreciation	(10,979)	(11,835)
Amortisation	(21,174)	(3,576)
Other operating income	19,076	20,913
Other operating expenses	(162,545)	(100,730)
Operating profit	<u>134,171</u>	<u>131,020</u>
Foreign exchange loss	170	(193)
Finance income	12,252	18,024
Profit before tax	<u>146,593</u>	<u>148,851</u>
Income tax expense	<u>(35,741)</u>	<u>(32,701)</u>
Profit for the year	<u>110,852</u>	<u>116,150</u>
Total comprehensive income for the year	<u><u>110,852</u></u>	<u><u>116,150</u></u>

Summary consolidated statement of changes in equity
for the year ended 31 December 2017

	<i>Issued capital</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
	<i>AMD '000</i>	<i>AMD '000</i>	<i>AMD '000</i>	<i>AMD '000</i>
At 1 January 2016	89,220	10,845	167,873	267,938
Increase of Statutory reserve	-	4,511	(4,511)	-
Total comprehensive income for the year	-	-	116,150	116,150
At 31 December 2016	<u>89,220</u>	<u>15,356</u>	<u>279,512</u>	<u>384,088</u>
Total comprehensive income for the year	-	-	110,852	110,852
At 31 December 2017	<u>89,220</u>	<u>15,356</u>	<u>390,364</u>	<u>494,940</u>

Summary consolidated statement of cash flows
for the year ended 31 December 2017

	2017 AMD '000	2016 AMD '000
Operating activities		
Profit before tax	146,593	148,851
<i>Non-cash adjustments to reconcile profit before tax to net cash flows</i>		
Depreciation and amortisation	32,153	15,411
Unused vacation and other provisions	8,246	6,266
Reversal of bad debt and other provisions	(5,216)	(5,286)
Gain on disposal of property, plant and equipment	(97)	-
Net foreign exchange (gain)/loss	(170)	193
<i>Working capital adjustments</i>		
Decrease in trade and other receivables	2,456	9,582
(Increase)/decrease in prepayments	(14,499)	1,176
Decrease in advances received	(572)	(1,004)
Decrease in trade payables	(13,293)	(5,971)
	155,601	169,218
Income tax paid	(30,016)	(41,720)
Net cash flows from operating activities	125,585	127,498
Investing activities		
Term deposits placed at banks	-	(160,000)
Term deposits redeemed	137,525	146,527
Purchase of property, plant and equipment	(6,630)	(8,943)
Proceeds from sale of property, plant and equipment	170	-
Acquisition of intangible assets	(46,483)	(920)
Net cash flows from/(used in) investing activities	84,582	(23,336)
Effect of exchange rate changes on cash and cash equivalents	170	(193)
Net increase in cash and cash equivalents	210,337	103,969
Cash and cash equivalents at 1 January	164,124	60,155
Cash and cash equivalents at 31 December	374,461	164,124

Note 1

In accordance with the Law on Accounting of the Republic of Armenia NASDAQ OMX Armenia OJSC should publish its consolidated financial statements.

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2017, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related note, are derived from the audited consolidated financial statements of the Group for the year ended 31 December 2017 prepared in accordance with International Financial Reporting Standards.

The accompanying summary consolidated financial statements do not include all required information, which is presented in complete set of consolidated financial statements, particularly summary of significant accounting policies and other clarifying information, which is required to disclose according to the International Financial Reporting Standards.

A complete set of financial statements can be obtained from the Group's management upon request.