

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of "Armenian Nuclear Power Plant" CJSC

### *Report on Audit of Financial Statements*

#### **Qualified Opinion**

We have audited the accompanying financial statements of "Armenian Nuclear Power Plant" CJSC ("Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, except for the possible effects of matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Company as of 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

#### **Basis for Qualified Opinion**

As at 31 December 2024 there is an indication of impairment of the property, plant and equipment of the Company presented at AMD 86 billion (2023: AMD 98 billion). As described in the Note 12 to the financial statements, the Company has recognized an impairment loss of AMD 6.2 billion as of the year ended 31 December 2017.

We were unable to gain sufficient and appropriate audit evidence about the adequacy of the mentioned estimate as well as we were unable to estimate ourselves the recoverable amount of property, plant and equipment as of the reporting date due to the specialized nature of Company's properties and operations. Therefore, we were unable to determine the possible impairment amount of property, plant and equipment as at reporting date.

As at 31 December 2024, among the inventory presented in Statement of Financial position of the company, there are inventory with a total value of AMD 3.9 billion (2023: AMD 3.0 billion) the movement analysis of which indicates that it may be necessary to reduce their cost to net realizable value.

The management of the company has not conducted a valuation of the mentioned inventory; hence we were unable to obtain sufficient audit evidence for the value and relating expenses relating to the mentioned inventory.

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 (IESBA Code)* and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Responsibilities of the 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 IFRS Accounting Standards, 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.



## Auditor's Responsibility 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 management and 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### Report on meeting other legal requirements

According to the C.2.a.(vi) point in Section II of the 8615-AM Loan Agreement signed between the Republic of Armenia ("RoA") and the International Bank for Reconstruction and Development ("IBRD") on May 12, 2016, and according to 4.14 point of the Sub-loan Agreement signed between the RoA Ministry of Finance and the Company on June 22, 2016, the Company undertakes not to incur any expenditure, debt or liability and not to provide loans or grants for the purposes that do not relate to the main activity of the Company, that is the production of the energy.

In our opinion, during the year ended 31 December 2024, the Company has maintained this requisite.



Sergey Yakovlev, FCCA  
Engagement partner

21 April, 2025  
Yerevan