



Annual Report

2021

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Chapter 1

Company Overview

2021



General Information

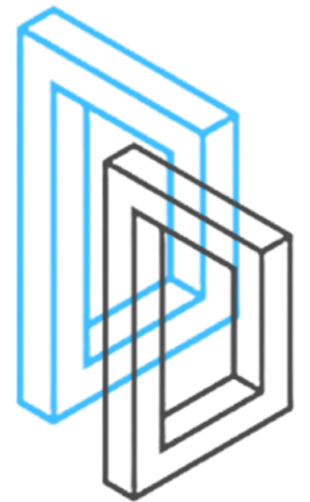
"Dimension" CJSC is an investment company and its purpose is to offer a wide range of financial and investment services, ensuring the high quality of services provided, while putting the clients first. The company is guided by internationally recognized corporate governance norms and principles of collegial decision-making.

Main services

- Capital Markets Advisory
- Investment Securities Services
- Asset management

Other participation

- Member of AMX since June 2019
- Licensed Account Operator of the Central Depository of Armenia



Dimension Investment Company was registered and licensed by the Central Bank of Armenia on September 28, 2018



Vision and mission

Vision

Our vision is to be the most impactful and successful investment firm in Armenia, commanding world-class capital intermediation and investment services capabilities offered to the best clients in the market.

Mission

Our mission is to put clients first by being their most reliable, insightful, and effective investment services partner in Armenia while maintaining the firm's high integrity.

Business Principles



Որակյալ աշխատանք
և բարձր
պրոֆեսիոնալիզմ

We offer a wide range of financial and investment services, ensuring the high quality of services provided, while putting our clients first. We take an individual approach to each partner and customer by building stable and long-term relationships. The company is guided by internationally recognized corporate governance norms and principles of collegial decision-making.

The confidentiality of personal information of our customers is of utmost importance. Guided by the legislation of the Republic of Armenia, we guarantee the security of information about our customers and partners.



Confidentiality

Our team members share common values and are committed to the company's strategy. The employees of Dimension Investments are dedicated and united, and spare no effort and energy to properly carry out every project. We share our experiences with each other, thereby creating effective working relationships.



Building on our reputation, we highly value trust, honesty, and business ethics. Our vision is to become a stable, reliable financial institution in the financial market of the Republic of Armenia that acts within the framework of fiduciary responsibilities when providing services to investors.:



Shareholders and Directors

Board of Directors



DAVIT HAKOBYAN

Shareholder and Chairman of
the Board of Directors



CAREL CHRIS HOFSTRA

Shareholder and member of
the Board of Directors



EDGAR HAMBARYAN

Board Member

Shareholders and Directors



Shareholders



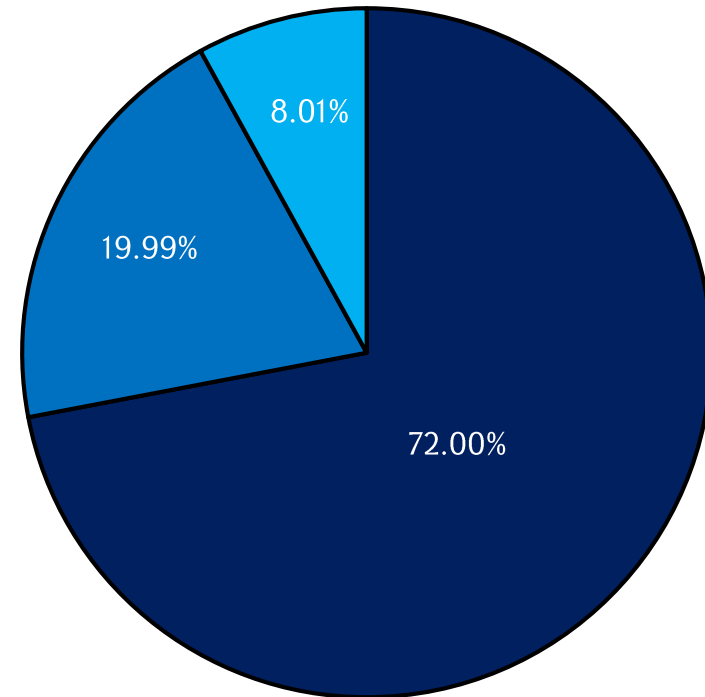
Davit Hakobyan



Carel Chris Hofstra



Armen Grigorian



- Davit Hakobyan
- Carel Chris Hofstra
- Armen Grigorian



Shareholders and Directors



Davit Hakobyan

Shareholder and Chairman of the Board in Dimension.

Before joining Dimension, Davit used to work as Legal Manager for Deloitte Armenia and was a Chief Legal Adviser for Armenbrok investment company. Davit's private legal practice emphasizes corporate, securities, finance, and general business law. Davit has advised on a wide range of M&A and corporate law issues, various forms of commercial contract drafting and negotiation, investments, and institutional lending.

Before moving to private legal practice, Davit worked in international organizations for a total of 7 years where he was involved as a Program Officer, Consultant, and Legal Expert in development projects under the umbrella of the OSCE (Organization for Security and Co-operation in Europe) and UNDP (United Nations Development Programme).

Davit has earned LLM Degree at University Paris 1 Pantheon-Sorbonne (France) and completed his legal practice course (LPC) with BPP Law School in London (UK).

He is a practicing lawyer both in Armenia and England & Wales.



Carel Chris Hofstra

Shareholder and member of the Board of Directors

Carel is currently the Country Manager in International Centre for Migration Policy Development (ICMPD). Carel has been the Project Manager of Targeted Initiatives for Armenia funded by the EU of French Office for Immigration and Integration.

Starting from 2005 until 2012, Carel has worked with the OSCE (Organization for Security and Co-operation in Europe) as a Consultant, Program Officer and Deputy Head of Office leading variety of projects on administrative and legislative reforms. Carel holds a bachelor's degree in Dutch Civil Law from Leiden State University and is certified in Russian Civil Law and Family Law from Moscow State University.

Shareholders and Directors



Armen Grigorian

Shareholder and Chairman of the Shareholders Advisory Group

Armen Grigorian has had experience in the financial field since 1994. He has served on the boards of seventeen companies. He is the founder and co-founder of two US investment firms, Defoe Redmount (1994) and Redmount Capital Partners (2004). The companies develop sophisticated investment strategies and manage investments for the firm's owners, closely related to them business associates and a select number of clients.

Defoe Redmount operates in the U.S. through its offices in Newport Beach, California, and New York City.



Mikayel Margaryan

CEO

Prior to joining Dimension CJSC, Mikael held positions at Armeconombank OJSC as Head of the Department for attracting Deposits and corporate Clients, and then for business development. Mikael is a financial and legal specialist in determining the structure of securities, their issuance, as well as registration of corporate transactions. He received a Master's degree from the Department of Political Science and International Relations of the American University in Armenia, and a Bachelor's degree from the Faculty of International Relations of YSU University:

“We strive to become a leading, independent investment company in the Republic of Armenia, so we provide services with a new approach in a modern and more efficient way with innovative solutions”



DAVIT HAKOBYAN

Shareholder and Chairman of the Board of Directors



CEO's Statement



Mikayel Margaryan

CEO

In 2021, according to the forecasts of Dimension CJSC, a gradual recovery of the Armenian economy will begin, the full recovery of which will be possible to achieve in 2022-2023.

The company plans to have a wide range of partners, paying special attention to cooperation with both local and international organizations: To this end, the company will actively work in the direction of expanding cooperation with financial institutions of the Republic of Armenia, which are considered a priority group of partners and in the direction of cooperation with international structures on investment programs.

To achieve the set goals, the company will be guided by the principles of evolutionary and institutional development of the organization. One of the main goals of the company for the future is to attract an institutional partner to its composition, which will allow the company to increase the level of service provision, expanding the range and scope of services provided.

Thanks to the flexibility and foresight shown by shareholders, managers, and employees, the company has strengthened its position in the financial market of Armenia in a short time, being a reliable financial partner for investors and partners, which is the company's mission. And despite a year full of challenges, Dimension was not only able to ensure the smooth operation of the company but also retained a leading position in the market.

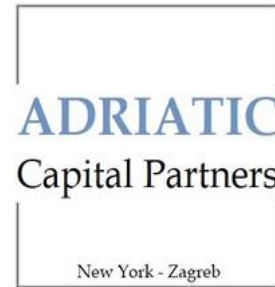
Thank you for your trust.

M. Margaryan

International Partners



“Defoe Redmount” company operates in three US states -California, Texas, and New Jersey, as well as in the capital of Croatia, Zagreb. The company has more than 90 employees and manages assets worth more than 500 million US dollars in diversified investment areas. The company has invested more than 250 million US dollars in direct investment areas.



The company "Adriatic Capital Partners" was founded jointly with the company "InterFinance Group" and the company "Defoe Redmount. The company is engaged in private equity investments in the Adriatic region of Europe.



RVS Solicitors is a multidisciplinary law practice that embodies everything clients want and need from a legal professional in the modern era. With highly sought-after specialists in immigration, family, civil litigation, and landlord & tenant law, the firm handles various aspects of legal needs and issues.



Accomplishments

- Under the conditions of restraining monetary policy, the dealer team successfully managed portfolio risk and maintained sufficient liquidity, minimizing losses and maintaining a leading position in the market of investment companies.
- "Dimension" CJSC acted as the Sole 2022 Post-IPO Market Maker of ACBA Bank's common shares
- The company attracted foreign investors while establishing cooperation with American and European investment companies.
- The range of services provided was updated and expanded, as a result of which the emphasis was placed on the provision of investment services, including placement, market making, IPO consulting, etc.



Accomplishments



The company has had a number of developments, accomplishments and individual successes

- The staff has been expanded and staffed with experienced and licensed employees.
- For the second year in a row, Gayane Arzumanyan, an employee of the company, was recognized as the winner in the nomination "Best Employee of a Member of the Unified Securities Accounting and Settlement System" of the AMX award from the Central Depository of Armenia.
- The number of active clients using the registry services doubled, as a result of which Dimension strengthened its position among the operators of depository services.



Chapter 2

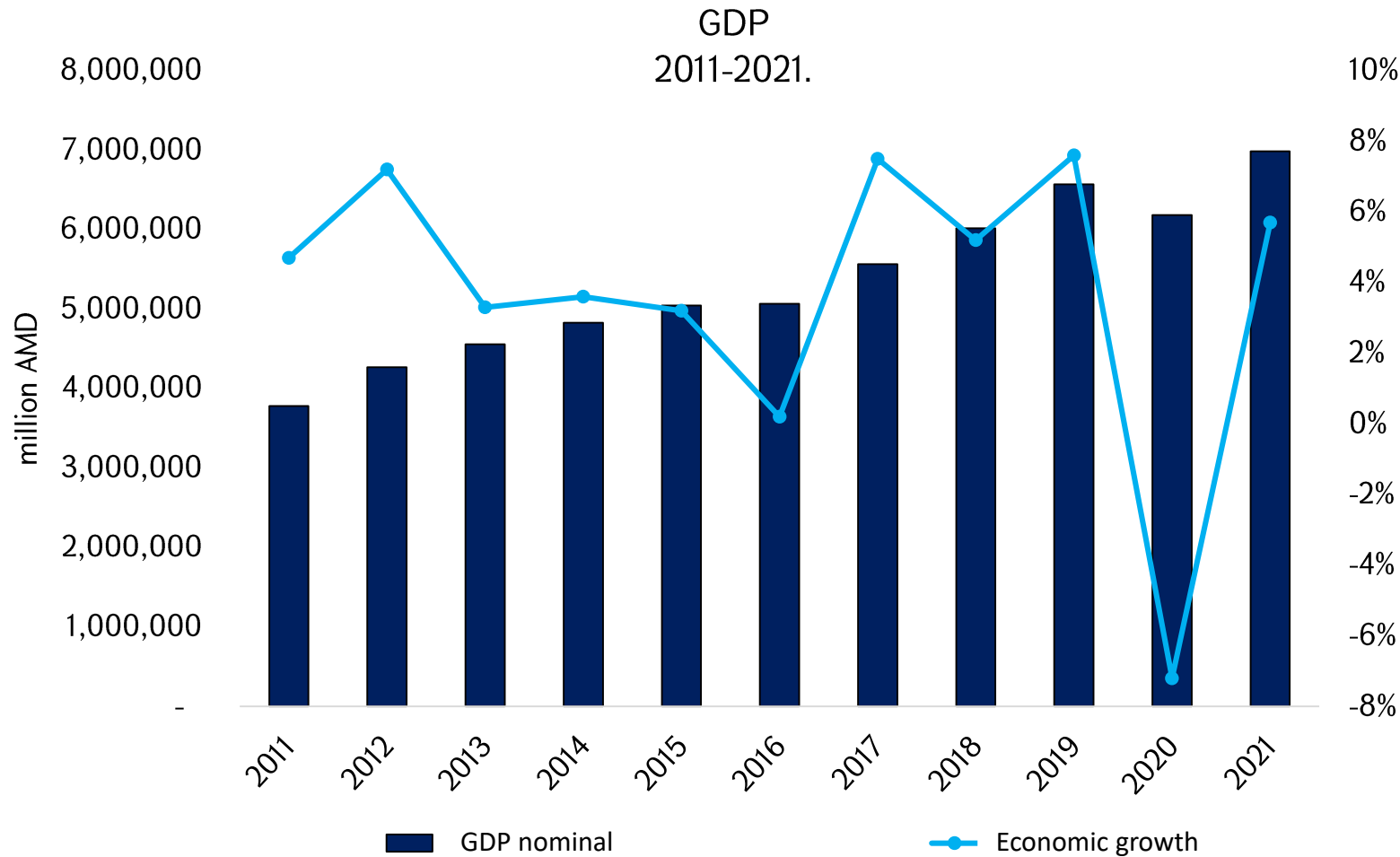
Strategic Report



2021



RA Economy and Capital Markets



In the severe conditions of the crisis and war, the Armenian economy suffered greatly in 2020 (-7.2%), in particular, the organization of accommodation and catering (-45.01%), administrative and auxiliary activities (-43.46%) and the sphere of transportation and warehousing (-34.07%) suffered the most. As a result of the transition from the shock environment and relative economic stabilization in 2021, GDP recovered to some extent (5.7%).

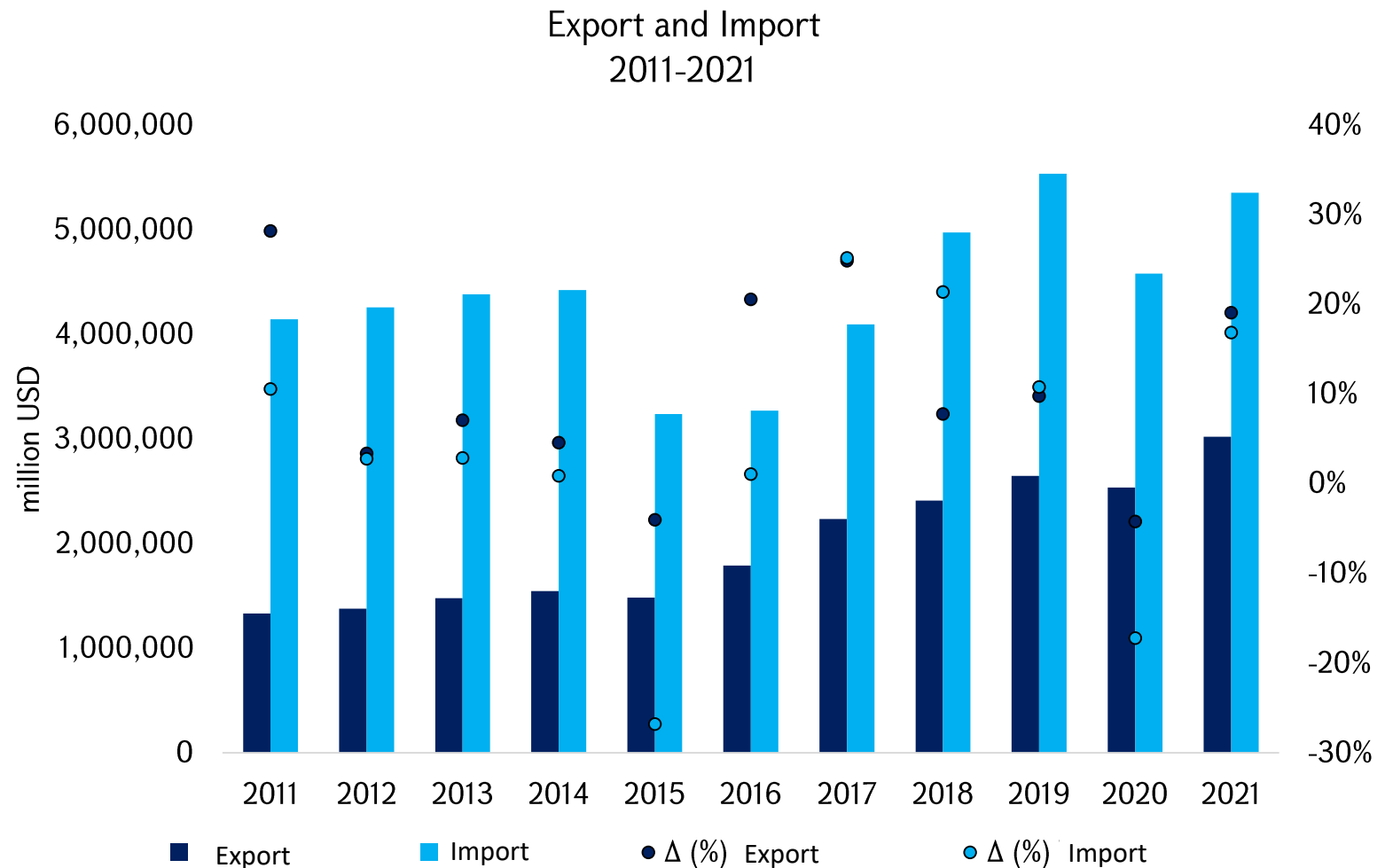
According to forecasts of the International Monetary Fund (IMF), real GDP growth in 2022 will be 1.5%, reflecting a slower than expected pace of economic recovery.

RA Economy and Capital Markets



As in the case of GDP, there was a significant stabilization and even growth in the sphere of international trade in 2021. Thus, in 2021, exports increased by 19.1%, while imports recorded an increase of 16.9%.

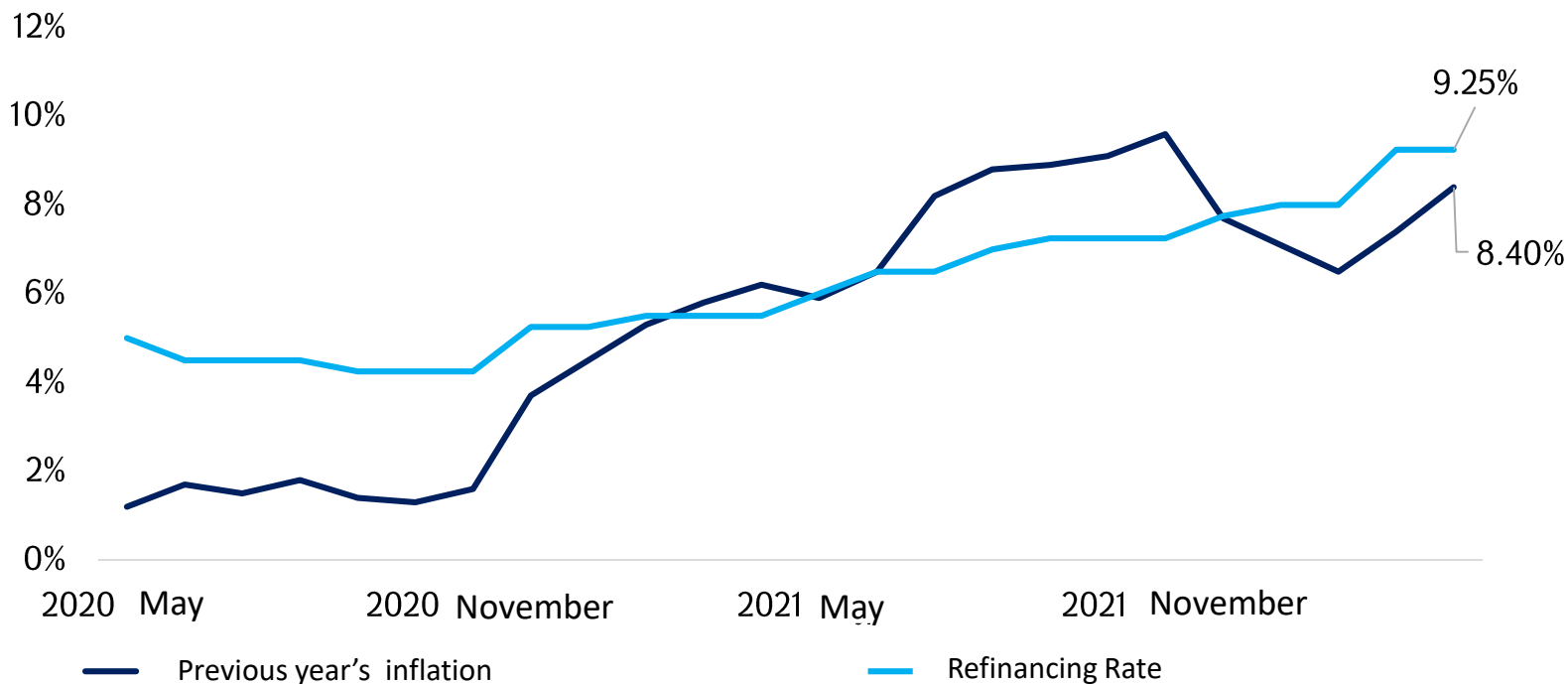
Given that Armenia's main and largest trading partner is the Russian Federation, it is predicted that the tense regional situation in 2022 will lead to trade disruptions and volume declines.





RA Economy and Capital Markets

Inflationary trends and refinancing rate
(2020-2022)



At the same time, inflationary developments in the international food and commodity markets, due to positive expectations regarding the recovery of global demand, an unprecedentedly high level of liquidity in international financial markets, as well as some supply factors, contributed to the acceleration of inflation in Armenia at the end of the year. In order to maintain the stability of the dram on the local and international markets, as well as in order not to deviate from the annual inflation target of 4%, the Central Bank continued to periodically use its tools, including the refinancing rate and operations on the open market (repo transactions, foreign currency swap).

Our Staff



Our team members share common values and are committed to the company's strategy. The employees of Dimension Investments are dedicated and united, and spare no effort and energy to properly carry out every project.

Attaching great importance to the motivation and development of employees, the company always takes care of their training, progress, and career growth. Employees undergo retraining from time to time, as well as participate in various seminars and conferences. Ensuring a healthy working atmosphere for employees is one of the company's priorities. Employees, in turn, are distinguished by professionalism, team spirit, responsibility, as well as a willingness to share their knowledge with each other.





Risk Management

Of the company in the risk management process includes all employees from top to bottom (top-down) approach. the Risk management process is organized in accordance with the Company's goals, and to pursue the Company in the course of activities of possible risks to stay on target. Risk analysis makes the Company's strategic planning, as well as investment projects, evaluate an integral part of it.

Daily risk management function is carried out by a Director. The Executive Director oversees daily market processes, collecting, and studying the various information flow pulses, resulting in the complete image of the exact risk management functions.

Attaching great importance to the fight against money laundering and combating the financing of terrorism, the Company continues to develop and improve the built-in functions in this area. The Company conducted an internal seminar on AML/TF prevention on the subject that provides employees with awareness of internal and legislative acts.



Chapter 3



Financial Statements



2021



Statement on Comprehensive Financial Performance

AMD Thousand	2021թ.	2020թ.
Interest and similar income	124,267	94,723
Interest and similar expenses	(75,667)	(35,317)
Net interest and similar income	48,600	59,406
Income in the form of commission and other payments	55,796	31,905
Expenses in the form of commission and other payments	(21,242)	(15,125)
Received net commission and other payments	34,554	16,780
Net income from trading operations	(8,014)	27,246
Other operational income	36	(1,106)
Operational income	75,176	102,326
Net contributions to the reserves of asset's potential losses	1,990	1,430
General administrative expenses	(47,564)	(47,602)
Other operational expenses	(9,124)	(6,743)
Profit before taxation	20,478	49,411
Profit tax expense	(5,856)	(18,049)
Annual profit	14,622	31,362
Including:		
Share of the parent company	14,622	31,362
Uncontrolled share	-	-
Other comprehensive financial results		
«Revaluations of financial assets measured at fair value through other comprehensive income	(41,747)	(27,045)
Reclassification of other comprehensive income to profit or loss	(192)	(1,184)
Profit tax on other comprehensive income	7,220	15,459
Other comprehensive financial results after taxation	(34,719)	(12,770)
Comprehensive financial result	(20,097)	18,592
Including:		
Share of the parent company	(20,097)	18,592
Uncontrolled share	-	-
Base profit per share	0.369	0.792
Diluted profit per share	0.369	0.792



Statement on Financial Position

AMD Thousand

	2021թ.	2020թ.
Assets		
Demands on banks and other financial institutions	24,509	26,832
Demands on clients	6,955	3,638
Financial assets measured at fair value through other comprehensive income	1,248,006	973,910
Depreciated investments	142,085	142,359
Fixed Assets and Intangible Assets	9,959	16,752
Deferred tax Assets	9,218	2,340
Other Assets	157,088	375
Total Assets	1,597,820	1,166,206
Liabilities		
Liabilities on banks	1,101,055	635,720
Liabilities on clients	2,519	276
Reserves	1,487	1,916
Other Liabilities	14,887	30,518
Total Liabilities	1,119,948	668,430
Equity		
Contributed Equity	395,840	395,840
Emission income	8,346	8,346
General reserve	4,700	212
Retained profit	102,048	91,942
Other items of equity	(33,062)	1,436
Total equity	477,872	497,776
Capital owned by the parent company	477,872	497,776
Uncontrolled share		
Total Liabilities and Equity	1,597,820	1,166,206

Statement on Cash Flow



AMD Thousand

Cash flows from operational activities

Net cash flows till the changes of operational assets and liabilities

	2021թ.	2020թ.
Interest received	125,686	78,079
Interest paid	(74,280)	(35,833)
Received commission amounts	44,706	30,193
Paid commission amounts	(19,914)	(18,869)
Paid salary and other equivalent payments	(33,350)	(27,360)
Paid other operational expenses	(157,225)	(13,989)
<i>Cash flows from operational Assets and Liabilities changes</i>	(114,377)	12,221
Decrease (increase) in Operational Assets, including:	(322,848)	388,129
Decrease (increase) of financial assets measured at fair value through profit or loss and measured at fair value through other comprehensive income	(322,848)	388,129
<i>Net cash flow from operational activities up to profit tax payment</i>	(437,225)	400,350
Paid Profit tax	(19,234)	(5,251)
<i>Net cash flow from operational activities</i>	(456,459)	395,099

Cash flow from investment activities

Acquisition/capitalization of Fixed Assets and Intangible Assets	(1,740)	(1,895)
Disposal of Fixed Assets and Intangible Assets	-	200
<i>Net cash flow from investment activities</i>	(1,740)	(1,695)

Cash flow from financing activities

Increase (decrease) of received loans	463,554	(424,411)
Shareholders' investments in the authorized capital	-	47,986
Payment of the main part of the lease liability	(6,210)	(5,191)
<i>Net cash flow from financing activities</i>	457,344	(381,616)

The Impact of currency exchange rates fluctuations on cash and cash equivalents

Net increase of cash and cash equivalents	(855)	11,788
Cash and cash equivalents at the beginning of the period	26,832	12,449
Cash and cash equivalents at the end of the period	24,509	26,832



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INVESTMENTS

New format of financial and investment services

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