

"CIVILITAS" FOUNDATION

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of "Civillitas" Foundation

Opinion

We have audited the financial statements of "Civillitas" Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2021, and the statements of income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 30 of the financial statements, which describes the events after the reporting period. Our opinion is not modified in respect of this matter.

Responsibilities of 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 for SMEs, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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 Foundation'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 Foundation'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 Foundation 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 a fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Tatul Movsisyan
 General Director


Edgar Aleksanyan
 Engagement Partner



June 8, 2022
 Yerevan, 8 P.Sevak

"Civillitas" Foundation
Statement of financial position
As of 31 December 2021

'000 AMD	31/12/21	31/12/20
ASSETS		
Property, plant and equipment	57,473	40,792
Non-current assets	2,392	512
Prepayment for non-current assets	-	10,622
Total non-current assets	59,865	51,926
Inventories	288	223
Prepayment for materials and services	1,288	7,823
Trade and other receivables	157,918	132,599
Other current tax assets	-	5
Financial investment	-	200
Cash	14,717	517
Other current assets	5	177
Total current assets	174,216	141,544
Total assets	234,081	193,470
Equity and liabilities		
Founder's contribution	500	500
Retained earnings	8,942	3,508
Total equity	9,442	4,008
Borrowings	11,918	7,715
Grants related to assets	59,865	51,926
Total non-current liabilities	71,783	59,641
Loans	1,340	1,010
Borrowings	15,616	6,511
Trade and other payables	37,321	23,351
Prepayments for services	1,395	1,939
Profit tax liability	635	509
Other current tax liabilities	9,190	6,714
Liability for salaries and other short-term benefits	42,680	38,361
Grants related to income	44,548	47,847
Other liabilities	131	3,579
Total current liabilities	152,856	129,821
Total equity and liabilities	234,081	193,470

Director

Chief Accountant,
 Director of Accounting Services "BDO
 Accounting, Tax and Legal" CJSC



Abraham Boghigian

Varduhi Chilingaryan

"Civillitas" Foundation
Statement of Income
for the year ended 31 December 2021

'000 AMD

Revenue
 Cost of sales
Gross profit
 Income from grants
 Expenses from grants
Result from grants
 Other income
 Distribution expenses
 Administrative expenses
 Other expenses
Operating profit (loss)
 Finance expenses
 Gain (loss) from exchange rate differences
Profit (loss) before tax
 Profit tax expense
Net profit (loss)

	2021	2020
	53,688	24,661
	(47,427)	(20,254)
	6,261	4,407
	348,702	404,577
	(296,708)	(268,915)
	51,994	135,662
	372	1,631
	(10,530)	(2,034)
	(38,695)	(35,670)
	(2,498)	(2,155)
	6,904	101,841
	(224)	(152)
	(52)	1,643
	6,628	103,332
	(1,194)	(867)
	5,434	102,465

Director

Chief Accountant,
 Director of Accounting Services "BDO
 Accounting, Tax and Legal" CJSC



Abraham Boghigian

Varduhi Chilingaryan

"Civiltas" Foundation
Statement of Changes in Equity
For the year ended 31 December 2021

'000 AMD

Balance as of 31 December 2019

Net profit (loss)

Balance as of 31 December 2020

Net profit (loss)

Balance as of 31 December 2021

	Founder's contribution	Retained earning	Total
	500	(98,957)	(98,457)
	-	102,465	102,465
	500	3,508	4,008
	-	5,434	5,434
	500	8,942	9,442

Director

Chief Accountant,
 Director of Accounting Services "BDO
 Accounting, Tax and Legal" CJSC



Abraham Boghigian

Varduhi Chilingaryan

"Civillitas" Foundation
Statement of Cash Flows
For the year ended 31 December 2021

'000 AMD	2021	2020
Cash flows from operating activities		
Receipts from grants	327,508	308,638
Receipts from the sale	59,860	25,708
Other receipts	4	165
Payments for materials, goods, services	(72,519)	(68,248)
Payments to and on behalf of employees	(242,285)	(202,967)
Payments of profit tax	(1,194)	(358)
Payments of other taxes	(19,214)	(17,836)
Project related and other	(29,453)	(30,303)
Net cash flows from operating activities	22,707	14,799
Cash flows from Investing activities		
Acquisition of PPE and intangible assets	(17,618)	(22,205)
Borrowings provided	-	(200)
Repayments of given borrowings	60	-
Net cash flows from Investing activities	(17,558)	(22,405)
Cash flows from financing activities		
Proceeds from loans and borrowings	18,945	22,311
Repayments of loans and borrowings	(9,406)	(22,560)
Interests paid	(224)	(152)
Net cash flows from financing activities	9,315	(401)
Total net cash flows	14,464	(8,007)
Foreign currency exchange rate differences	(264)	1,841
Cash balance as of 1 January	517	6,683
Cash balance as of 31 December	14,717	517

Director

Chief Accountant,
 Director of Accounting Services "BDO
 Accounting, Tax and Legal" CJSC



Abraham Boghigian

Varduhi Chilingaryan