

**“STEPAN GISHYAN”  
CHARITABLE FOUNDATION**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024  
AND  
INDEPENDENT AUDITOR'S REPORT**



## Contents

<b>Independent auditor's report</b>	3
<b>Financial statements</b>	
Statement of financial position	5
Statement of profit or loss and other comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9





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## INDEPENDENT AUDITOR'S REPORT

*Presented to the Board of Trustees of "Stepan Gishyan" Charitable Foundation*

### **Opinion**

We have audited the financial statements of "Stepan Gishyan" Charitable Foundation (hereinafter 'Foundation'), which comprise the statement of financial position as at December 31, 2024, and the statements of profit or loss and other comprehensive 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, financial position of the Foundation as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **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.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management of Foundation is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 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 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 fair presentation.

We communicate with management 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.

  
Tatul Movsisyan

General Director/ Engagement Partner

April 30, 2025  
Yerevan, 8 Sevak





***"Stepan Gishyan" Charitable Foundation***  
***Statement of profit or loss and other comprehensive income***  
***for the year ended 31 December 2024***

'000 AMD	Note	2024	2023
Income from grants	13	4,744	19,407
Expense from grants	13	(4,744)	(19,407)
Distribution expenses		(12)	(12)
Administrative expenses	14	(3,272)	(3,256)
Other income and expenses	15	(973)	(1,045)
Finance income	16	39,537	41,536
<b>Profit before tax</b>		<b>35,280</b>	<b>37,223</b>
Profit tax expense	17	(6,572)	(7,049)
<b>Net profit</b>		<b>28,708</b>	<b>30,174</b>
<b>Total comprehensive income</b>		<b>28,708</b>	<b>30,174</b>

Director

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FONDATION  
02643306

Chief accountant

Anna Gishyan

Vahan Abrahamyan



**"Stepan Gishyan" Charitable Foundation**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2024**

'000 AMD

**Balance as of 31 December 2022**

Net profit

Other comprehensive income

*Total comprehensive income net of tax*

**Balance as of 31 December 2023**

Net profit

Other comprehensive income

*Total comprehensive income net of tax*

**Balance as of 31 December 2024**

<i>Note</i>	<i>Retained earnings</i>	<i>Total</i>
11	178,328	178,328
	30,174	30,174
	30,174	30,174
	208,502	208,502
	28,708	28,708
	28,708	28,708
	237,210	237,210

Director

Anna Gishyan

Chief accountant

Vahan Abrahamyan



**"Stepan Gishyan" Charitable Foundation**  
**Statement of cash flows**  
**for the year ended 31 December 2024**

<i>'000 AMD</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>			
Receipts from grants	12,13	50	-
Other receipts		5,163	17
Payments for works, services		(1,040)	(786)
Payments to and on behalf of employees		(3,287)	(3,274)
Payments of profit tax		(7,083)	(6,305)
Donation		(12,935)	(16,300)
<b>Net cash flows from operating activities</b>		<b>(19,132)</b>	<b>(26,648)</b>
<b>Cash flows from investing activities</b>			
Acquisition of interest	9	43,411	37,692
Repayment of deposits	9	391,000	375,000
Investment of deposits	9	(417,000)	(386,000)
<b>Net cash flows from investing activities</b>		<b>17,411</b>	<b>26,692</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows from financing activities</b>			
<b>Total net cash flows</b>		<b>(1,721)</b>	<b>44</b>
<b>Cash balance as of 1 January</b>		<b>2,243</b>	<b>2,199</b>
<b>Cash balance as of 31 December</b>		<b>522</b>	<b>2,243</b>

Director

Anna Gishyan

Chief accountant

Vahan Abrahamyan



## **1. Background**

### **1.1. Description and activity**

"Stepan Gishyan" Charitable Foundation (hereinafter also "Foundation") has been founded on October 23, 2015 on the means and efforts of ACBA-CREDIT AGRICOLE BANK CJSC (currently ACBA BANK OJSC), French CREDIT AGRICOLE S.A. Bank, National Federation of Credit Agricole and Samson Gishyan.

The aim of the Foundation is to provide support to:

- the development of Armenian-French relations,
- the development of social-economic, scientific, educational, cultural and health system of RA.

Average headcount of the Foundation was 2 employees in 2024 and, 2 employees in 2023.

The legal address of the Foundation is Yerevan, Nor Nork 3rd Block, Gai Ave., 16/46 Building, where the administrative office is located.

The founders of the Foundation are:

- ACBA-CREDIT AGRICOLE BANK CJSC (currently ACBA BANK OJSC),
- French CREDIT AGRICOLE S.A. Bank,
- National Federation of Credit Agricole,
- Samson Gishyan.

### **1.2. Structure and management**

The Foundation's senior governing body is the board of trustees of the Foundation, which has the right of final solution of any issue relating the Foundation's management and operation. The members of the board of trustees of the Foundation are five.

- Hakob Andreasyan (board chairman),
- Styopa Zaqinyan (board member),
- Thomas Groh (board member),
- Philippe Leonard (board member),
- Hrayr Aslanyan (board member).

The Foundation's current operation is managed by the director.

## **2. Compliance with IFRSs**

Financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS).

## **3. Functional and presentation currency**

The national currency of the RA is Armenian Drams ("AMD"), which is the functional and presentation currency of the Foundation.

Financial information presented in AMD has been rounded to the nearest thousand.

## **4. Summary of significant accounting policies**

### **4.1. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for some financial assets that are measured at fair value.

### **4.2. Inventories**

Initial measurement. At the initial recognition inventories are measured at (historical) cost.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost formulas. The cost of inventories of items that are not interchangeable and goods or services produced and segregated for specific projects is calculated by determining specific products costs.

The cost of interchangeable inventories is determined from the "First in first out" (FIFO) formula.

Subsequent measurement. Inventories are measured at the lower of cost and net realizable value.

#### **4.3. Financial assets**

Recognition. The Foundation recognises a financial asset, when the Foundation becomes a party to the contractual provisions of the instrument.

Derecognition. The Foundation derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or if the entity transfers substantially all the risks and rewards of ownership of the financial asset.

Classification and initial measurement. Financial assets are initially measured at fair value plus transaction costs.

Financial assets are classified as accounted amortized costs.

The classification is characterized by the Foundation's business model for managing financial assets and and contractual cash flow characteristics of financial assets.

Subsequent measurement. Financial assets are accounted for in accordance with amortised cost if the assets meet the following criteria (and are not classified at fair value through profit or loss):

- they are held within a business model whose objective is to hold financial assets and to collect their contractual cash flows,
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition the assets are measured at amortised cost applying effective interest rate.

Impairment. To recognize expected credit losses "Expected credit losses model" is applied for future information. The Foundation should consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses.

Impairment of financial assets is recognised in stages: Stage 1—as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (ie without deduction for expected credit losses); Stage 2—if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss. The calculation of interest revenue is the same as for Stage 1; Stage 3—if the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (ie the gross carrying amount less the loss allowance). Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

Cash and cash equivalents. Cash comprises cash on hand and demand deposits.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Bank overdrafts which are repayable on demand form an integral part of the Foundation's cash management and as a component are included in the cash and cash equivalents in the statement of cash flows and in the statement of financial position-in the liabilities.

#### **4.4. Financial liabilities**

Recognition. The Foundation recognises a financial liability, when the Foundation becomes a party to the contractual provisions of the instrument.

Derecognition. The Foundation derecognises a financial liability (or part of a financial liability) when, it is extinguished—ie when the obligation specified in the contract is discharged or cancelled or expires. The difference between derecognized financial liability and the paid or payable consideration is recognized in profit or loss.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the

financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Classification. Categories of financial liabilities are the following:

- financial liabilities measured at fair value through profit or loss
- other financial liabilities.

#### **4.5. Short-term employee benefits**

When an employee has rendered a service to the Foundation during an accounting period, the Foundation recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- a) as a liability, after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Foundation recognises that excess as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- b) as an expense, unless IFRS requires or permits the inclusion of the benefits in the cost of another asset (for example; inventories, PPE)

The Foundation recognises the expected cost of short-term employee benefits in the form of compensated absences as follows:

- a) in the case of accumulating compensated absences (for example; vacation), when the employees render service that increases their entitlement to future compensated absences; and
- b) in the case of non-accumulating compensated absences (temporary invalidity), when the absences occur.

The Foundation measures the expected cost of accumulating compensated absences as the additional amount that the Foundation expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. Moreover a part of mandatory social insurance payments are included in these calculations.

#### **4.6. Revenue**

The Foundation's income is from term deposits' interest and grants.

Interest is recognised using the effective interest method.

#### **4.7. Grants**

Recognition. Grants are recognised when there is reasonable assurance that the Foundation will comply with the conditions attaching to them and the grants will be received.

Presentation. Grants are presented in the statement of financial position as deferred revenue.

Accounting. Grants are recognised in profit or loss on a systematic basis over the periods in which the Foundation recognises as expenses the related costs for which the grants are intended to compensate.

Grant that is provided to the Foundation as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

Repayment. Grant that becomes repayable shall be accounted for as a change in accounting estimate. Repayment of a grant related to income is applied first against any unamortised deferred credit recognised in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or when no deferred credit exists, the repayment is recognised immediately in profit or loss.

#### **4.8. The effects of changes in foreign exchange rates**

Functional currency. The Foundation considers the following factors in determining its functional currency:

- (a) the currency:
  - that mainly influences sales prices for goods and services (this will often be the currency in which sales prices for its goods and services are denominated and settled); and
  - of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
- (b) the currency that mainly influences labour, material and other costs of providing goods or services (this will often be the currency in which such costs are denominated and settled).

The functional currency of the Foundation is AMD.

Initial recognition. A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Reporting at the ends of subsequent reporting periods. At the end of each reporting period:

- (a) foreign currency monetary items are translated using the closing rate;
- (b) non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- (c) non-monetary items that are measured at fair value in a foreign currency are translated/remeasured (presented) using the exchange rates at the date when the fair value was determined.

Recognition of exchange differences. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

#### 4.9. Profit tax

Current tax. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from the budget) the budget, using the tax rates (and normative legal acts regulating tax relations) that have

Deferred tax. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and normative legal acts regulating tax relations) that have been enacted or substantively enacted by the end of the reporting period.

If there is no other information, the Foundation applies 18% rate on a deferred tax liability and on deductible temporary differences used.

Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is checked (reviewed) as of each reporting date. The Foundation reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit is available.

Presentation as income or an expense. Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that relates to the items recognised in the same or other period:

- (a) to other comprehensive income, in which case it shall be recognized in other comprehensive income
- (b) directly to equity, in which case it shall be recognized in equity.

The Foundation presents the items of profit or loss, other comprehensive income and equity deducting relevant tax results.

Offsetting. The Foundation offsets current tax assets and current tax liabilities if, and only if, the Foundation:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Foundation offsets deferred tax assets and deferred tax liabilities if, and only if:

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - I. the same taxable entity (taxable unit); or
  - II. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 4.10. Errors

The Foundation corrects material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

- a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

#### **4.11. Changes in accounting estimates**

The effect of a change in an accounting estimate, other than below stated, is recognised prospectively by including in net profit or loss:

- a) the period of the change, if the change affects that period only; or
- b) the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it is recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the change is treated as a change in an accounting estimate with appropriate disclosure.

#### **4.12. Changes in accounting policies**

The Foundation changes an accounting policy only if the change:

- a) is required by an IFRS; or
- b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Foundation's financial position, financial performance or cash flows.

When the Foundation applies a new accounting policy retrospectively, it applies the new accounting policy to comparative information for prior periods as far back as is practicable. Retrospective application to a prior period is not practicable unless it is practicable to determine the cumulative effect on the amounts in both the opening and closing statements of financial position for that period. The amount of the resulting adjustment relating to periods before those presented in the financial statements is made to the opening balance of each affected component of equity of the earliest prior period presented. Usually the adjustment is made to retained earnings. However, the adjustment may be made to another component of equity (for example, to comply with another IFRS).

When it is impracticable for the Foundation to apply a new accounting policy retrospectively, because it cannot determine the cumulative effect of applying the policy to all prior periods, the Foundation applies the new policy prospectively from the start of the earliest period practicable. It therefore disregards the portion of the cumulative adjustment to assets, liabilities and equity arising before that date. Changing an accounting policy is permitted even if it is impracticable to apply the policy prospectively for any prior period.

#### **4.13. Events after the Reporting Period**

The Foundation adjusts the amounts recognised in its financial statements to reflect adjusting events after the reporting period.

The Foundation does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period.

### **5. Significant accounting judgements and major sources of estimation uncertainty**

Preparation of financial statements in compliance with IFRSs requires management to make judgments, estimates and assumptions that significantly affect the amounts recognized in the financial statements. Estimates and underlying assumptions are reviewed.

**Going concern.** Management prepared these financial statements on a going concern basis. In making this judgement management considered the Foundation's financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of the macro-economic developments on the operations of the Foundation.

**Initial recognition of related party transactions.** In the normal course of business, the Foundation enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no

active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses.

**ECL measurement.** Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios.

**Significant increase in credit risk ("SICR").** In order to determine whether there has been a significant increase in credit risk, the Foundation compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period.

## 6. New and amended IFRSs

A number of new standards and amendments to the existing standards are effective from 1 January 2024. According to management's assessment, the following changes do not have a material effect on the Foundation's financial statements.

- Changes in IAS 1: Classification of liabilities as current or non-current.
- Changes in IFRS 16: Lease liability in a sale and leaseback transaction.
- Changes in IAS 7 and IFRS 7: Supplier finance arrangements.

## 7. Standards or amendments issued but not yet effective

Amendments to a number of standards have not been effective as of December 31, 2024 and have not been applied during the preparation of these financial statements. Below are some of the amendments that may have an effect on the financial position and activity of the Foundation. The Foundation aims to apply those amendments for annual periods beginning on or after the effective date.

- Changes in IAS 21: Lack of exchangeability.
- Changes in IFRS 18: Presentation and disclosures in financial statements.

## 8. Cash

'000 AMD

**Total, including:**

- Local currency bank account

<i>Balance</i>	<i>Balance</i>
<i>31.12.2024</i>	<i>31.12.2023</i>
522	2,243
522	2,243

## 9. Term deposits

'000 AMD

**Total, including:**

- non-current financial investments
- current financial investments

<i>Balance</i>	<i>Balance</i>
<i>31.12.2024</i>	<i>31.12.2023</i>
440,573	418,567
440,573	405,632
440,573	12,935

Financial assets measured at amortized cost are term deposits placed with a related party, a local Armenian bank (ACBA BANK OJSC). The deposits were made in 2015 using grant funds. As of December 31, 2024, the annual interest rate for term deposits amounting to AMD 406,000 thousand is set at 9.5%, and for deposits amounting to AMD 6,000 thousand — at 4%.

In accordance with the terms of the Grant and the established policy the deposits shall be invested for a period of one year, then after the expiry of the repayment period a small part of the deposit as well as the acquired interest shall be spent in accordance with the terms of the Grant and most of it shall be reallocated again. In the current part of financial investments the amount used (spent) shall be recognized for the purposes of Grant until the end of the next year.



Deposits are not overdue or impaired, they are financial assets of Stage 1 (whose credit qualities have not been materially distorted after the initial recognition or have a low credit risk). Provision for expected credit losses in 31.12.2024 has been evaluated AMD 1,590 thousand (in 31.12.2023 AMD 1,470 thousand).

#### 10. Prepayments for inventories and services

<i>'000 AMD</i>	<i>Balance 31.12.2023</i>	<i>Increase</i>	<i>Decrease</i>	<i>Balance 31.12.2024</i>
Total, including:	1,950	13,235	(10,218)	4,967
- on grants	1,894	12,935	(9,906)	4,923
- on services	56	300	(312)	44

#### 11. Equity

The balance of the "Retained Earnings" line item as of December 31, 2024, includes retained earnings from prior years amounting to AMD 208,502 thousand and net profit for the reporting year amounting to AMD 28,708 thousand.

#### 12. Grants related to income

<i>'000 AMD</i>	<i>Balance 31.12.2023</i>	<i>Increase</i>	<i>Decrease</i>	<i>Balance 31.12.2024</i>
Total, including	207,527	11,578	(16,272)	202,833
- Grants related to incomes	194,592	-	(11,528)	183,064
- Grants related to assets	12,935	11,578	(4,744)	19,769

Grants are received from founders and other donors, mainly in the form of cash, which has been contributed as a deposit (see Note 9). For income-related grants, the amount expected to be used (expended) for grant purposes (administrative expenses, implementation of various grant programs) by the end of the following year is recognized as income.

#### 13. Income and Expenses from Grants

##### Incomes

<i>'000 AMD</i>	<i>2024</i>	<i>2023</i>
Total, including	4,744	19,407
• grants related to income:	4,744	19,407
Grant projects	4,744	19,407

##### Expenses

<i>'000 AMD</i>	<i>2024</i>	<i>2023</i>
Total, including	(4,744)	(19,407)
- Hematology Center after Prof. R. Yeolyan	-	(5,000)
- Mkhitarian Center of Armenia Spiritual and Cultural NGO	-	(5,000)
- Zinvori Tun (Soldier's house) Charitable NGO	(21)	(4,979)
- Aren Mehrabyan Charitable Foundation	-	(2,500)
- Union of Leading Technologies Enterprises NGO	(573)	(1,928)
- Mastara Secondary School SNCO	(2,251)	-
- Organizational Development Solidarity System NGO	(1,300)	-
- "Arvestaran" Educational and Cultural NGO	(599)	-

**14. Administrative expenses**

Administrative costs have completely been made on short-term compensations (salary) of administrative personnel (director and chief accountant).

**15. Other income and expenses**

'000 AMD

**Other income (expenses), total, including**

- Audit and consultancy expenses
- Depreciation
- Office and other expenses
- Revenue (expense) from the impairment reserve

2024	2023
(973)	(1,045)
(600)	(600)
(137)	(146)
(115)	(135)
(121)	(164)

**16. Financial income**

'000 AMD

**Financial income, total, including**

- Related parties

2024	2023
39,537	41,536
39,537	41,536

Financial income is interest income on term deposit (Note 9)

**17. Profit tax**

'000 AMD

- **Profit tax amount recognised in profit (loss), including**

- Current tax
- Deferred tax

2024	2023
(6,572)	(7,049)
(6,594)	(7,077)
22	28

'000 AMD

**Numerical reconciliation between the average effective tax rate and the applicable tax rate**

	2024	2023
Applicable tax rate	18%	18%
Profit before tax	35,280	37,223
Non-deductable expenses / non-taxable income	1,353	2,094
Taxable profit	36,633	39,317
Current tax	6,594	7,077
Average effective tax rate	18.7%	19.0%

**Deferred tax asset**

'000 AMD

Financial assets

Liability for salary and other short-term benefits

**Total**

**Tax rate**

**Deferred tax asset**

**(+) Taxable temporary difference**  
**(-) Reducing (deductible) temporary difference**

2024	2023
1,590	1,470
16	15
1,606	1,485
18%	18%
289	267

In the item "Financial assets" temporary difference occurred from the estimation of expected credit losses on term deposits.

In the item "Liability for salaries and other short-term benefits" temporary difference occurred on accumulated refundable absences.

There are no reducing (deductible) temporary differences, unused tax losses and tax discounts for which no deferred tax asset is recognised in the statement of financial position.

#### 18. Classification (analysis) of expenses recognized in profit or loss with expenses classified by nature

<i>'000 AMD</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
Income from grants	13	4,744	19,407
Financial income	16	39,537	41,536
Salary and other short-term benefits		(3,272)	(3,260)
Other expenses		(5,729)	(20,460)
<b>Profit before tax</b>		<b>35,280</b>	<b>37,223</b>
Profit tax expense	16	(6,572)	(7,049)
<b>Net profit</b>		<b>28,708</b>	<b>30,174</b>

#### 19. Classification of financial instruments

##### Financial assets

<i>'000 AMD</i>	<i>Balance 31.12.2024</i>	<i>Balance 31.12.2023</i>
<b>Total, including</b>	<b>441,095</b>	<b>420,810</b>
• term deposits	440,573	418,567
• cash	522	2,243

##### Financial liabilities

<i>'000 AMD</i>	<i>Balance 31.12.2024</i>	<i>Balance 31.12.2023</i>
<b>Total, including</b>	<b>-</b>	<b>-</b>

#### 20. Financial risk management objectives and policy

Credit risk. The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk related to investment activity (deposits). The Foundation doesn't require security for credits. Maximum exposure to credit risk is carrying amount of financial assets on the reporting date.

Liquidity risk. The risk that the Foundation will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Foundation implements control over the risk of shortage of cash using continuing liquidity planning instrument.

Market risk. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in interest rate mainly affect deposits changing either their fair value (fixed rate financial instrument) or their future cash flows (floating rate financial instrument). The invested deposits are in fixed rates.

Other price risk. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The effect of other price risk is not significant.

## 21. Related party disclosures

### Nature of related party relationships

Name	Nature
Founders	ACBA-CREDIT AGRICOLE BANK CJSC (currently ACBA BANK OJSC), French CREDIT AGRICOLE S.A. Bank, National Federation of Credit Agricole, Samson Gishyan.

Transactions with related parties. In the reporting period the Foundation has invested term deposits (which in particular are disclosed in Note 9 of this report) in ACBA-CREDIT AGRICOLE BANK CJSC (currently ACBA BANK OJSC) which is a related party.

Employee benefits for key management personnel. Short-term benefits (salary) for key management personnel made up AMD 3,272 thousand in 2024 and AMD 3,256 thousand in 2023 (Note 14). There were no other employee benefits for key management personnel.

## 22. Contingences

Business environment. The Foundation carries out its activities in the Republic of Armenia which is in the stage of political and economic changes. There are no developed business and regulatory infrastructures like those found in more mature market economies. Moreover, economic conditions continue to limit the activity of financial markets and the latter not often accurately reflect the value of financial instruments. The main obstacle for further economic growth is the low level of economic and institutional development and regional instability. The level of poverty remains high affecting overall purchasing power and demand.

In September, 2020 a war broke out in Nagorno-Karabakh that was followed by a cease-fire agreement. It is being violated by Azerbaijan. Periodically armed conflicts take place in the territory of Nagorno-Karabakh as well as in the border areas of Armenia. In September, 2023 as a result of the events that took place in the Republic of Artsakh, the population of Artsakh was forcibly displaced to the Republic of Armenia. Azerbaijan occupied the sovereign territories of Armenia. All these resulted in social unrest, a decline in regional and sectorial entrepreneurship and uncertainty in the business environment.

In February, 2022 the Russian-Ukrainian military conflict began, as a result of which there are thousands of victims, several million people were displaced or moved to other places of residence, economic activity in Ukraine was disrupted, the economy and infrastructure suffered significant damages. In response, many countries have imposed economic sanctions on Russia (and in some cases on Belarus). In addition to the sanctions, a number of large public and private companies have announced voluntary actions to limit business activities with Russia and Belarus. The Russian-Ukrainian military conflict and related events occur at a time of significant global economic uncertainty and instability and the consequences are likely to affect and worsen current market conditions.

It is not possible to assess the full impact of the above-mentioned circumstances on the Foundation's activities, however, the management believes that these circumstances will not have a significant impact on the Foundation's financing, as well

as on the implementation of current activities and programs. However, future changes in the business environment may differ from the Management's estimates.

**Insurance.** Insurance is in the development stage in RA. Insurance instruments used in developed countries are imported.

As of at the end of the reporting year the Foundation carried out health insurance of the employees.

Until a complete insurance of assets is carried out, there is a risk that loss or abolition of certain assets can have a negative effect on the financial position and financial performance of the Foundation.

**Legal actions.** As of 31 December, 2024, as well as until the date of approval of this financial statement, there were no legal actions against the Foundation.

**Guaranties.** There are no guaranties given and (or) received by the Foundation.

### 23. Events after the Reporting Period

Other adjusting events or significant non-adjusting events did not occur between the reporting date (31.12.2023) and the ratification (signature) date (30.04.2025թ.).

### 24. Ratification of financial statements

Financial Statements were approved by management on April 30, 2025, and were signed on its behalf by Director Anna Gishyan.

Director

Chief accountant



Anna Gishyan

Vahan Abrahamyan

