

*INDEPENDENT AUDITOR'S REPORT*

To the governing board of the „Institute for Change and Innovation” and the Management:

*Opinion*

We have audited the accompanying financial statements of the „Institute for Change and Innovation” NNLE (“the organization”), which comprise the balance sheet as at December 31, 2020, and the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the “Institute for Change and Innovation” NNLE as at December 31, 2020, the results of its activities and the cash flow for the and of December 31, 2020 and the statements of comprehensive income, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards SME.

*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 company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Georgia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

*Responsibilities of management and individuals for individual financial report*

Leadership is responsible for preparing and objectively presenting separate financial statements in accordance with International Financial Reporting Standards and ensure the existence of such an internal control system, which, in his opinion, is necessary for the preparation of financial statements that do not contain substantial inaccuracies caused by error and fraud.

In preparing separate financial statements, management is required to assess the company's ability to continue to operate (continuous enterprise principle), also, if necessary, clarify issues related to the principle of continuous enterprise and use this principle as a basis for accounting unless the management either intends to liquidate the company or terminate the activity, or has no realistic alternative to doing otherwise.

Supervisors are required to oversee the company's financial reporting process.

*Auditor’s Responsibilities for the Audit of the individual financial report*

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. Hereby 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 represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is

Nato Romanadze (SARAS-A-526843)

LTD „Prestige Audit“ (SARAS-F-638067)

August 26, 2021

Georgia, Batumi

