Fidelis Wealth Management LLC

Financial Statements as at
December 31, 2021

with

Independent Auditors' Report

Contents

Statement of management's responsibilities

The Management of Fidelis Wealth Management, LLC is responsible for the accompanying financial statements.

This responsibility includes:

- preparation of financial statements in accordance with International Financial Reporting Standards;
- selection of suitable accounting policies and their consistent application;
- making judgments and estimates which are reasonable and prudent;
- preparation of the financial statements on the going concern basis, unless circumstances make this inappropriate.

The Management is also responsible for:

- creation, implementation and maintaining effective internal control system;
- keeping proper accounting records in compliance with local regulations;
- taking such steps as are reasonably open to them to safeguard the assets of the Company; and
- prevention and detection of fraud and other irregularities.

The financial statements for the year ended December 31, 2021 were approved by the management and signed on its behalf:

Nugzar Dvali
Executive Director

Fidelis Wealth Management LLC

Date: February 25, 2022

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INDEPENDENT AUDITORS' REPORT
Fidelis Wealth Management LLC

Opinion

We have audited the financial statements of Fidelis Wealth Management LLC (the "Company") which comprise the statement of financial position as at December 31, 2021 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the period 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 Company as at December 31, 2021, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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. 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 is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), 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.

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

Auditors' 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 scepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT *(continued)*

Auditors' responsibility for the audit of the financial statements (continued)

- 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 statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Mikheil Abaiadze / Certified Auditor / Partner

Audit firm registration number: SARAS-F-320544
Auditor's registration number: SARAS-A-865011

Date: February 25, 2022

Tbilisi, Georgia

Statement of financial position

	Note	31-Dec-21	31-Dec-20
Non-current assets			
Property, plant and equipment	5	631,655	690,670
Intangibles	6	1,655	5,928
Prepayments	7	468,228	-
Total non-current assets		**1,101,538**	**696,598**
Current assets			
Cash and cash equivalents	8	1,031,634	2,177,118
Deposits	8	40,000	40,000
Trade and other receivables	9	769,133	1,002,052
Tax assets	13	64,169	-
Total current assets		**1,904,936**	**3,219,170**
Total assets		**3,006,474**	**3,915,768**
Equity			
Owners' capital	10	40,000	40,000
Retained earnings	10	996,877	864,327
Total equity		**1,036,877**	**904,327**
Non-current liabilities			
Payables to owners		583	583
Advances received	11	1,687,125	2,530,688
Total non-current liabilities		**1,687,708**	**2,531,271**
Current liabilities			
Trade payables	12	281,889	478,188
Tax liabilities, net	13	-	1,982
Total current liabilities		**281,889**	**480,170**
Total equity and liabilities		**3,006,474**	**3,915,768**

Nugzar Dvali

Executive Director

Fidelis Wealth Management LLC

Date: February 25, 2022

Statement of comprehensive income

	Note	2021	2020
Revenue	14	2,778,239	3,373,181
Cost of sales	15	(1,235,122)	(1,973,772)
Gross profit		**1,543,117**	**1,399,409**
General and administrative expenses	16	(1,009,730)	(1,044,252)
Other expenditure		-	-
Operating income		**533,387**	**355,157**
Profit/ (loss) on foreign currency exchange	17	(167,119)	227,265
Finance income		6,022	3,610
Finance cost		-	-
Other non-operating loss		(239,673)	-
Profit before tax		**132,617**	**586,032**
Income tax	13	(67)	(268,183)
Total comprehensive income		**132,550**	**317,849**

Nugzar Dvali
Executive Director

Fidelis Wealth Management LLC

Date: February 25, 2022

Statement of cash flows

	Note	2021	2020
Cash flows from operating activities			
Profit before tax		132,617	586,032
Adjustments to:		-	
Depreciation and amortization	5; 6	64,319	60,057
Interest income		(6,022)	(3,610)
Foreign exchange (gain) / loss	17	167,119	(227,265)
Other non-operating loss		239,673	-
Cash inflows from operating activities before changes in operating assets and liabilities		**597,706**	**415,214**
Working capital adjustments:			
(Increase) / decrease in trade and other receivables		31,111	771,595
(Increase) / decrease in prepayments		(468,228)	-
Increase / (decrease) in trade and other payables		(194,388)	(146,178)
Increase / (decrease) in advances received		(843,563)	2,530,688
Increase / (decrease) in taxes payable		(66,151)	(16,736)
Net cash inflow from operating activities before tax and interest		**(943,513)**	**3,554,583**
Interest received		6,022	3,610
Income tax paid		(67)	(268,183)
Net cash inflows from operating activities		**(937,558)**	**3,290,010**
Net cash flows from investing activities			
Purchase of property, plant, and equipment	5	(1,031)	(596,310)
Purchase of intangibles	6	-	(8,371)
Net cash outflows from investing activities		**(1,031)**	**(604,681)**
Net cash outflows from financing activities			
Dividends paid	10	-	(1,443,729)
Net cash outflows from financing activities		**-**	**(1,443,729)**
Net increase in cash and cash equivalents		**(938,589)**	**1,241,600**
Cash and cash equivalents at the beginning of the year	8	2,177,118	700,028
Effect of changes in a foreign exchange rate on cash		(206,895)	235,490
Cash and cash equivalents at the year-end	8	**1,031,634**	**2,177,118**

Nugzar Dvali
Executive Director

Fidelis Wealth Management LLC

Date: February 25, 2022

Statement of changes in equity

	Owners' capital	Retained earnings	Total equity
Balance as at December 31, 2019	**40,000**	**1,990,207**	**2,030,207**
Total comprehensive income for the year	-	317,849	**317,849**
Dividends paid	-	(1,443,729)	**(1,443,729)**
Balance as at December 31, 2020	**40,000**	**864,327**	**904,327**
Total comprehensive income for the year	-	132,550	**132,550**
Dividends paid	-	-	**-**
Balance as at December 31, 2021	**40,000**	**996,877**	**1,036,877**

Nugzar Dvali
Executive Director

Fidelis Wealth Management LLC

Date: February 25, 2022

1 Company and its operations

Fidelis Wealth Management LLC (hereinafter - "Company") with identification number: 405214726, was founded on June 26, 2017 and operates in accordance with respective Georgian legislation and provisions. On June 28, 2017, the Company merged with Fidel Management (ID: 404461355). The Director of the company is Nugzar Dvali.

The Company's declared capital is 40,000 GEL. Owners of the company as at 31 December 2021 and 2020

Owners	31-Dec-21	31-Dec-20
LLC Blue Libra Consulting Limited	22%	22%
LLC AVMC CYP HOLDING LTD	68%	68%
LLC CB holding	10%	10%
Total	**100%**	**100%**

Ultimate owners of the Company are physical persons: Raffaela Maroglio and Giorgio Saronne.

The company's registered address is Apakidze str., N11, 3rd entrance, 6th floor, app. N131, Vake-Saburtalo

The Company represents a brokerage company operating on the securities market, licensed by the National Bank of Georgia (last applicable license was issued by the President of the National Bank of Georgia by decree #154 on December 28, 2017). The Company conducts brokerage services, also control and management of the cash and assets of the clients. Additionally, the company provides professional consultations in the field of investment.

2 Operating environment of the Company

The Company operates in Georgia. In Georgia brokerage companies are under certain regulations of National Bank of Georgia. Regulations include minimum capital requirements (minimum GEL 500,000), requirement to publish financial statements prepared in accordance with IFRS. The regulations also prescribe for the companies to have sufficient cash to cover their obligations to customers at each stage of their operations. Brokerage firms are obligated to separate clients' cash and financial instruments from each other and from their own funds in accounting programs.

Emerging economies, such as the Georgian economy, are subject to rapid change and are vulnerable to market conditions and economic downturns elsewhere in the world. As a consequence, operations in Georgia may be exposed to certain risks that are not typically associated with those in developed markets. Nevertheless, over the last few years the Georgian government has changed number of civil, criminal, tax, administrative and commercial laws that have positively affected the overall investment climate of the country. Georgia has an international reputation as a country with a favourable investment environment. Georgia has been assigned a score of 55 (45th place) as demonstrated by Transparency International's 2021 Global Corruption Barometer. Georgia's score has decreased compared to previous year.

The management of the company is not able to anticipate all the events in the country, which may have an impact on the economy of the country and, consequently, on the financial position of the Company. The management of the Company believes that it makes all possible assessments to contribute to the development and sustainability of the Company.

3 Summary of significant accounting policies

3.1 Basis of preparation

These financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (“IFRS”), being standards and interpretations issued by the International Accounting Standards Board (“IASB”), in force at 31 December 2021.

The financial statements comprise of a statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity and disclosure notes.

The financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Reporting period

The reporting period of the company covers the calendar year from January 1 to December 31.

Presentation currency

These financial statements are prepared in the national currency of Georgia, Georgian Lari ("GEL").

3.2 Property, plant, and equipment

Property, plant and equipment and intangible assets are stated at cost, less accumulated depreciation and amortization, and provision for impairment. Cost comprises of construction cost or purchase price, including import duties and non-refundable taxes, and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the construction cost or purchase price. Costs of minor repairs and maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalized and the replaced part is retired. All items of equipment are stated at cost less accumulated depreciation and impairment losses if any.

Depreciation is calculated using the straight-line method. Depreciation commences when assets are available for use. Depreciation for the entire year is accrued in the year the asset becomes ready to use. Depreciation rates of the groups of PP&E are presented in the table below:

Asset group	**Depreciation Rate**
Office	2%
Future and other fixtures	10%-15%
Computers and other IT equipment	15%-25%

The useful lives, residual values and depreciation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in property, plant and equipment. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

At each reporting date, the management assesses whether there is any indication of impairment of property, plant, and equipment. If impaired, premises and equipment are written down to the higher of their value in use and fair value fewer costs to sell. The decrease in carrying amount is charged to profit or loss. An impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset’s value in use or fair value fewer costs to selling.

3 Summary of significant accounting policies (continued)

3.3 Intangibles

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recognized in the balance sheet if, and only if (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and (b) the cost of the asset can be measured reliably. Following initial recognition, intangible assets with determinable useful life are carried at cost less any accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method and over the useful life. The Company's intangible assets comprise of computer software licenses, with useful life of 5 years. Intangible assets with indefinite useful lives are not amortized. They are rather tested for impairment annually and impairment loss recognized in profit and loss immediately, when occurs. Intangible assets with indefinite useful lives are reviewed annually with the objective to assess whether their useful lives are still undetermined. If the analysis indicates that the useful life is determinable then such intangibles are amortized over identified useful lives.

3.4 Prepayments

Prepayments are recognized at cost less impairment allowance. Prepayments are classified as non-current when appropriate good or service is expected to be received after 1 year, otherwise they are classified as current assets.

Prepayment for long term asset will be reflected on the cost of the latter asset when the company will receive the full control over the asset and future economic benefit is expected to be received from it.

Other prepayments will be reflected in the income statement when the respective product/service is received. When there is a risk the respective product/service cannot be received, expense is written off to the current period profit/loss.

3.5 Cash and cash equivalents, deposits

Cash and cash equivalents include cash on hand, cash in bank and deposits with maturity up to 90 days and are subject to an insignificant risk of changes in value. Deposits with maturity more than 90 days are separately presented in the statement of financial position as deposits.

Restricted balances are excluded from cash and cash equivalents for the statement of cash flows. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date are included in other non-current assets.

Bank overdrafts are shown in current liabilities in the statement of financial position.

3.5.1 Clients' funds

The company manages customers' cash using its own bank accounts. According to the strict instructions of the regulator, this type of cash is to be clearly separated from Company's own cash. Due to the fact that the company can not exercise full ownership and also, risk and the effect of benefits on customers' cash is quite limited, they fail to meet the definition of an asset and are classified as off-balance sheet transactions.

3 Summary of significant accounting policies (continued)

3.6 Financial instruments

Initial recognition and measurement

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. On initial recognition, the Company recognises all financial assets and financial liabilities at fair value. The fair value of a financial asset / liability on initial recognition is normally represented by the transaction price. The transaction price for financial assets / liabilities other than those classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition / issue of the financial instrument.

Transaction costs incurred on acquisition of a financial asset and issue of a financial liability classified at fair value through profit or loss are expensed immediately.

The company recognizes the financial assets on the payment date, the asset is recognized on the day the company receives it and its recognition is terminated on the day the company sells it.

Subsequent measurement of financial assets

Subsequent measurement of financial assets depends on their classification on initial recognition.

Financial assets are measured at amortised cost if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election at initial recognition for investments in equity instruments to present subsequent profit or loss in the statement of other comprehensive income.

Impairment of financial assets

The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

3 Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Subsequent measurement of financial liabilities

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Currently, all of the Company's trade payables are expected to be settled within one year from the balance sheet date and are classified as current.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3.7 Owners' capital

The authorized owners' capital of the company is determined by the charter of the company. Changes to the Company's charter (including changes in owners' capital, ownership, etc.) should be made only at the discretion of the Company's owners. Capital is recognized at the nominal amount of contributions made by

3.8 Managing the risk of equity failure

The equity structure of a company consists of capital, which includes issued capital, accumulated profits and reporting period profit/loss. The Company's management evaluates the capital requirements of the company to maintain an effective overall financing structure by avoiding borrowed funds. This provides for the level of subordination of various classes of debt to the company, as well as regulates the number of dividends paid, return on equity, issuance of new shares.

3.9 Income tax

In May 2016, the Parliament of Georgia enacted the changes in the Tax Code and approved a changed corporate tax model. The model is known as Estonian Tax Model. The changes are applicable from 1 January 2017 for all entities apart from certain financial institutions (commercial banks, credit unions, insurance organizations, microfinance organizations and pawn shops), with changes applicable from 1 January 2023. The changed model implies a zero corporate tax rate on retained earnings and a 15% corporate tax rate on distributed earnings (dividends distributed to owners).

3 Summary of significant accounting policies (continued)

3.10 Provisions

Provisions are recognised in the statement of financial position when the Company has current obligation (legal or constructional) at the reporting date as a result of a past event and it is probable that the Company will settle this obligation. Provisions are measured at the present value of the amount expected to be required to settle the obligation using before-tax discount rate that reflects the time value of money and current market assessments of the risks to a specific obligation. Any change in the assessment is recognised in the statement of profit and loss of the respective period.

3.11 Revenues and expenses

Revenues and expenses are recognized under accrual basis.

The Company's main activities comprise providing brokerage services and management and control of customers' cash and assets. The Company recognizes revenues from service rendered when it is possible to assess it reliably; it is possible that future economic benefits will flow to the entity; it is possible to define the completion stage of the transaction at the reporting date; and it is possible to define the costs associated with the settlement of a transaction. The amount of revenue is recognized as the fair value of remuneration received or has to be received from the selling of goods or rendering of services. For each contract the Company takes the following steps: Identifies the contract existence, identifies the performance obligations, determines the transaction price, which implies the assessment of variable remuneration amount and time value of money; the amount indicated in a contract is allocated among performance obligations on a basis of comparative prices; and recognizes the revenue only when the all performance obligation is fulfilled in a manner of transferring all promised good or service.

3.12 Staff costs and related contributions

Wages, salaries, contributions to the Georgian Republic state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Company.

3.13 Leases

The IASB issued the new standard for accounting for leases − IFRS 16 Leases in January 2016. The new standard does not significantly change the accounting for leases for lessors. However, it does require lessee to recognize most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise ‘short-term’ leases and leases of ‘low-value’ assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today’s finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

The Company considers the lease term as non-cancellation period of the lease with the following periods:

a) Periods covered by the option to extend the lease if it is sufficiently credible that the lessee will exercise

b) Periods covered by the option to terminate the lease early if it is sufficiently certain that the lessee will not

IFRS 16 - Leases does not have an impact on the Company's financial statements. During 2021, the company does not have any short-term or long-term leases. In 2020, the Company's leases were short-term. Short-term leases are leases with a lease term of 12 months or less. Payments related to short-term leases are recognized as an expense in the statements of profit or loss on a straight-line basis.

3 Summary of significant accounting policies (continued)

3.14 Foreign currency translation

Transactions denominated in foreign currency are recorded at the exchange rate ruling on the transaction date. Exchange differences resulting from the settlement of transactions denominated in foreign currency are included in the statement of comprehensive income using the exchange rate ruling on that date.

Monetary assets and liabilities denominated in foreign currency are translated into Georgian Lari at the official exchange rate of the National Bank of Georgia (NBG) at the balance sheet date. As at December 31, 2021 and 2020 the principal rates of exchange used for translating foreign currency balances were:

		31-Dec-21	**31-Dec-20**
1	USD/GEL	3.0976	3.2766
1	EUR/GEL	3.5040	4.0233
1	GBP/GEL	4.1737	4.4529
1	JPY/GEL	0.0269	0.0318
1	CHF/GEL	3.3772	3.7103
1	CAD/GEL	2.4208	2.5616
1	AUD/GEL	2.2482	2.5118

3.15 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Incomes and expenses are not offset unless required or permitted by IFRS and as specifically disclosed in the accounting policies of the Company.

3.16 New and revised standards and interpretations effective in the period on or after January 1, 2021

A number of new standards and amendments have become effective for the annual periods commencing on

a) Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2
b) Amendments to IFRS 16 - Covid-19-Related Rent Concessions

a) Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Pha

As a result of these amendments, among other matters, an entity:

•*Will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative*

•*Will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and*

•*Will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.*

b) Amendments to IFRS 16 'Leases' Covid-19 Related Rent Concessions:

Amendments to IFRS 16 'Leases' provide a practical expedient that permits lessees to account for the rent concessions, that occur as a direct consequence of the COVID - 19 pandemic and meets specified

The amendment is effective from 1 June 2020.

3 Summary of significant accounting policies (continued)

3.16 New and revised standards and interpretations effective in the period on or after January 1, 2021 (continued)

Amendments to IFRS 16 'Leases' Covid-19 Related Rent Concessions beyond 30 June 2021

This amendment extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical

The amendment is effective 1 April 2021. Earlier application is permitted, including in financial statements not authorised for issue at the date this Standard was issued.

Where an entity early adopts Covid-19-Related Rent Concessions then they shall disclose that fact (including the requirements in the paragraph above) and provide the additional disclosures.

This amendments does not have effect on the Company's financial statements.

3.17 Standards and interpretations that have been issued but are not yet effective

Before approval of the Company financial statements, some new standards, interpretations and changes within the framework have been issued, which have not been effective for the current period of the financial statements and which have not been implemented by the Company in advance. Company intends to accept those changes from the point when they become effective. Most probably the following standards would be relevant for the Company reporting purposes:

a) Amendments to IFRS 16 - Covid-19-Related Rent Concessions
b) IFRS 17 - Insurance Contracts
c) Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
d) Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use
e) Amendments to IFRS 3 - Reference to the Conceptual Framework
f) Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract
g) Annual Improvements to IFRS Standards 2018–2020
h) Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate o
i) Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
j) Amendments to IAS 8 - Disclosure of Accounting Policies and Definition of Accounting Estimates
k) Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

Amendments to IFRS 16 'Leases' Covid-19 Related Rent Concessions beyond 30 June 2021 : This amendment extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The

IFRS 17 'Insurance contracts' establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 is effective

Amendments to IAS 1 'Presentation of financial statements' clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The meaning of settlement of a liability is also clarified. The amendments are applicable for annual periods commencing on or after 1 January

Amendments to IAS 16 'Property, plant and equipment' require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related costs in profit or loss, instead of deducting the amounts received from the cost of the asset. The amendments

3 Summary of significant accounting policies (continued)

3.17 Standards and interpretations that have been issued but are not yet effective (continued)

Amendments to IFRS 3 'Business combinations' update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' specify the costs that an entity includes when assessing whether a contract will be loss-making. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018–2020 amend:

• IFRS 1 to simplify the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;

• IFRS 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;

• IFRS 16 illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold

• IAS 41 to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in other accounting standards.

The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to IFRS 10 'Consolidated financial statements' and IAS 28 'Investments in associates' clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. Otherwise, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments have been deferred until IASB has finalised its research project on the equity method.

Amendments to Disclosure of Accounting Policies and Definition of Accounting Estimates modify:

• IFRS 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

• IAS 1, to require entities to disclose their material accounting policy information rather than their significant ac

• IAS 8, to clarify how entities should distinguish changes in accounting policies and changes in accounting esti

• IAS 34, to identify material accounting policy information as a component of a complete set of financial statem

• IFRS Practice Statement 2 Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to Deferred tax related to assets and liabilities arising from a single transaction modify IAS 12 to clarify the accounting for deferred tax on transactions that, at the time of the transaction, give rise to equal taxable and deductible temporary differences. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. This may be the case for transactions such as leases and decommissioning, restoration and similar obligations. Entities are required to recognise deferred tax on such transactions.

The Standard amends IFRS 1 to require deferred tax related to leases and decommissioning, restoration and similar obligations to be recognised by first-time adopters at the date of transition to International Accounting

The management of the Company does not anticipate that the application of the new Standards and amendments in the future will have an significant impact on the Company's financial statements.

4 Critical accounting judgments

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Useful lives of property, plant and equipment and intangibles – The estimation of the useful life of property, plant and equipment and intangibles is a matter of management estimate based upon experience with similar assets. In determining the useful life of an item of property, plant and equipment and intangibles, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation and amortization rates.

Taxation - Georgian tax, currency and customs legislation is subject to varying interpretations. The management of the Company recognizes liabilities for anticipated additional tax assessments as a result of tax audits based on estimates of whether it is probable that additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax provisions in the period in which such determinations are made.

5 Property, plant and equipment

	Office	Furniture, Fixtures and Fittings	Computer and other IT	Total
Cost				
As at 31-Dec-2019	**-**	**33,249**	**164,889**	**198,138**
Additions	580,849	2,869	12,592	**596,310**
As at 31-Dec-2020	**580,849**	**36,118**	**177,481**	**794,448**
Additions	-	771	260	**1,031**
As at 31-Dec-2021	**580,849**	**36,889**	**177,741**	**795,479**
Depreciation and impairment				
As at 31-Dec-2019	**-**	**9,470**	**38,466**	**47,936**
Depreciation for the year	11,617	3,612	40,613	**55,842**
As at 31-Dec-2020	**11,617**	**13,082**	**79,079**	**103,778**
Depreciation for the year	11,617	4,036	44,393	**60,046**
As at 31-Dec-2021	**23,234**	**17,118**	**123,472**	**163,824**
Net carrying amount				
As at 31-Dec-2019	**-**	**23,779**	**126,423**	**150,202**
As at 31-Dec-2020	**569,232**	**23,036**	**98,402**	**690,670**
As at 31-Dec-2021	**557,615**	**19,771**	**54,269**	**631,655**

At the end of the reporting period the total carrying value of fully depreciated assets is 16,112 GEL (2020:

6 Intangibles

	Computer software license	Total
Cost		
As at 31-Dec-2019	**4,011**	**4,011**
Additions	8,371	**8,371**
As at 31-Dec-2020	**12,382**	**12,382**
Additions	-	**-**
As at 31-Dec-2021	**12,382**	**12,382**
Amortization and impairment		
As at 31-Dec-2019	**2,178**	**2,178**
Amortization for the year	4,276	**4,276**
As at 31-Dec-2020	**6,454**	**6,454**
Amortization for the year	4,273	**4,273**
As at 31-Dec-2021	**10,727**	**10,727**
Net carrying amount		
As at 31-Dec-2019	**1,833**	**1,833**
As at 31-Dec-2020	**5,928**	**5,928**
As at 31-Dec-2021	**1,655**	**1,655**

7 Prepayments

Prepayments mainly include the amounts paid 3 years in advance for advisory service. Prepayments as of December 31, 2021 amounts to GEL 468,228 (2020: GEL 0)

8 Cash and cash equivalents

Cash and cash equivalents	**31-Dec-21**	**31-Dec-20**
Cash in bank	1,030,681	2,176,868
Cash on hand	953	250
Total cash and cash equivalents	**1,031,634**	**2,177,118**

Cash and cash equivalents per currencies	**31-Dec-21**	**31-Dec-20**
Cash in bank (GEL)	7,220	7,565
Cash in bank (EUR)	972,740	2,151,108
Cash in bank (USD)	43,096	16,087
Cash in bank (GBP)	4,738	1,466
Cash in bank (CHF)	2,887	642
Cash on hand	953	250
Total cash and cash equivalents	**1,031,634**	**2,177,118**

The Company has a short-term (with maturity more than 90 days) deposit in JSC Tera Bank with the amount of GEL 40,000, an annual interest rate of 9.15%. The deposit is due in May 11, 2022.

The Company's cash is placed in trusted banks where no material credit risk arises in respect of cash. At the end of the reporting period, there was no significant difference between the carrying amount of cash and cash equivalents and their fair value.

9 Trade and other receivables

Trade and other receivables mainly include receivables from customers. Trade and other claims as of December 31, 2021 amount to GEL 769,133 (2020: GEL 1,002,052)

At the end of the reporting period, there was no significant difference between the carrying amount of trade and other receivables and their fair value.

10 Equity

The Company's owners' capital has not changed in 2021 and 2020 and remains GEL 40,000. Owners' capital represents investment made by the Company's owners.

Retained earnings are part of the net profit remaining in the ownership of the company that is retained.

amount of GEL 1,443,729.

The Company is a brokerage company and under Article 8 of Order No. 145/04 of July 5, 2018, of the President of the Bank of Georgia, the minimum amount of capital of brokerage companies is considered to be GEL 500,000. As of December 31, 2021 and 2020, the Company meets this requirement.

11 Advances received

Advances received include prepayments made by the client under the asset management mandate agreement. Advances received as of December 31, 2021 amounts to GEL 1,687,125 (2020: GEL 2,530,688)

12 Trade payables

Trade payables	31-Dec-21	31-Dec-20
Amounts payable for trading transactions and services	277,164	477,779
other liabilities	4,725	409
Total trade payables	**281,889**	**478,188**

Carrying amount of trade payables approximates to their fair value at the reporting date. Amounts payable for trading transactions and services include funds generated by the client as a result of trade which will be paid in the following period.

13 Tax assets / (liabilities), net

Tax assets and liabilities of the Company include personal income tax, property tax, income tax and reverse-charge VAT. As of December 31, 2021, the Company's tax assets amount to GEL 64,169 (As of December 31, 2020, the company had tax liability of GEL 1,982)

Profit tax expense for 2021 represents tax liability accrued for non-economic activities. During 2020, the Company distributed dividends to its owners (note 10), for which income tax expense is GEL 268,183. During 2021, no dividnend was distributed.

14	**Revenue**	**2021**	**2020**
	Management fees	2,277,871	2,041,513
	Brokerage fees	226,551	903,877
	Custody fees	172,217	244,424
	Performance fees	44,692	-
	Account closing fees	14,661	28,935
	Entry fees	-	146,971
	Other fees	42,247	7,461
	Total revenue	**2,778,239**	**3,373,181**

15	**Cost of sales**	**2021**	**2020**
	Consultation expenses	694,394	948,895
	Management expenses	371,890	792,299
	Portfolio management cost	119,866	194,356
	Salaries	48,972	38,222
	Total cost of sales	**1,235,122**	**1,973,772**

16	**General and administrative expenses**	**2021**	**2020**
	Salaries	211,077	198,655
	Software support expenses	205,902	104,783
	Tax expenses	188,032	293,543
	Outsourced administrative service expenses	139,977	206,782
	Depreciation and amortization	64,317	60,057
	Bank charges	60,682	53,570
	Computer software expenses	54,358	39,498
	Representative expenses	2,309	5,137
	Business trips	1,488	1,984
	Training costs	603	3,400
	Office rent expense	-	8,654
	Other expenses	80,985	68,189
	Total general and administrative expenses	**1,009,730**	**1,044,252**

17	**Profit/ (loss) on foreign currency exchange**	**2021**	**2020**
	Profit on foreign currency exchange	188,969	417,324
	Loss on foreign currency exchange	(356,088)	(190,059)
	Total profit/ (loss) on foreign currency exchange	**(167,119)**	**227,265**

18 Other non-operating loss

Other non-operating include loss incurred as a result of excessive risk while managing the company's client portfolio. The amount of other non-operating losses for 2021 is 239,673 GEL (2020: 0 GEL)

19 Financial risks management

19.1 *Currency risk*

Currency risk is the risk that changes in exchange rates may adversely affect a company's financial statements. Currency risk arises from assets and liabilities denominated in foreign currencies.

The company has certain assets and liabilities denominated in foreign currency. The Company does not have formal policies to manage foreign exchange risk, however the management controls the exchange risk by matching the currencies of the Company's financial assets and financial liabilities.

Included in the next tables are the Company’s financial assets and financial liabilities at carrying amounts, categorised by currency (presented in GEL equivalents).

As at December 31, 2021	**GEL**	**USD**	**EUR**	**Other**	**Total**
Financial assets					
Cash and cash equivalents	8,070	43,095	972,778	7,691	**1,031,634**
Deposits	40,000	-	-	-	**40,000**
Trade and other receivables	-	132,931	626,415	9,787	**769,133**
Total financial assets	**48,070**	**176,026**	**1,599,193**	**17,478**	**1,840,767**
Financial liabilities					
Trade payables	4,573	11,080	266,236	-	**281,889**
Total financial liabilities	**4,573**	**11,080**	**266,236**	**-**	**281,889**
Net Currency Position	**43,497**	**164,946**	**1,332,957**	**17,478**	**1,558,878**

As at December 31, 2020	**GEL**	**USD**	**EUR**	**Other**	**Total**
Financial assets					
Cash and cash equivalents	7,565	16,087	2,151,108	2,108	**2,176,868**
Deposits	40,000	-	-	-	**40,000**
Trade and other receivables	-	84,892	908,697	8,463	**1,002,052**
Total financial assets	**47,565**	**100,979**	**3,059,805**	**10,571**	**3,218,920**
Financial liabilities					
Trade payables	408	16,383	461,397	-	**478,188**
Total financial liabilities	**408**	**16,383**	**461,397**	**-**	**478,188**
Net Currency Position	**47,157**	**84,596**	**2,598,408**	**10,571**	**2,740,732**

19 Financial risks management *(continued)*

19.1 *Currency risk (continued)*

The table below presents analysis of the effect on the Company's income statement of a reasonably possible movement of the currency exchange rate against the GEL, with all other variables held constant. A negative amount in the table reflects a potential net reduction in income statement or equity, while a positive amount reflects a net potential increase. The base currency is assumed to be the GEL.

	2021		2020	
Currency	**Change in exchange rate**	**Impact on profit before tax**	**Change in exchange rate**	**Impact on profit before tax**
EUR	-10%	(133,296)	-10%	(259,841)
	-5%	(66,648)	-5%	(129,920)
	5%	66,648	5%	129,920
	10%	133,296	10%	259,841

19.2 *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments on time. Liquidity risk exists when the maturities of assets and liabilities do not match.

The management controls these types of risks by means of maturity analysis, determining the Company's strategy for the next financial period.

The following table presents a maturity analysis for non-derivative financial assets and liabilities of the Company with the remaining contractual maturities. The presentation below is based upon the information provided internally to key management personnel of the Company.

As at December 31, 2021	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**Total**
Financial assets					
Cash and cash equivalents	1,031,634	-	-	-	**1,031,634**
Deposits	40,000	-	-	-	**40,000**
Trade and other receivables	769,133	-	-	-	**769,133**
Total financial assets	**1,840,767**	**-**	**-**	**-**	**1,840,767**
Financial liabilities					
Trade payables	281,889	-	-	-	**281,889**
Total financial liabilities	**281,889**	**-**	**-**	**-**	**281,889**
Liquidity gap	**1,558,878**	**-**	**-**	**-**	**1,558,878**
Cumulative liquidity gap	**1,558,878**	**1,558,878**	**1,558,878**	**1,558,878**	

19 Financial risks management (continued)

19.2 *Liquidity risk*

As at December 31, 2020	Up to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial assets					
Cash and cash equivalents	2,176,868	-	-	-	2,176,868
Deposits	40,000	-	-	-	40,000
Trade and other receivables	1,002,052	-	-	-	1,002,052
Total financial assets	**3,218,920**	**-**	**-**	**-**	**3,218,920**
Financial liabilities					
Trade payables	478,188	-	-	-	478,188
Total financial liabilities	**478,188**	**-**	**-**	**-**	**478,188**
Liquidity gap	**2,740,732**	**-**	**-**	**-**	**2,740,732**
Cumulative liquidity gap	**2,740,732**	**2,740,732**	**2,740,732**	**2,740,732**	

19.3 *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, loans and receivables. The Company's maximum exposure to credit risk at the reporting date was:

	31-Dec-21	31-Dec-20
Cash and cash equivalents	1,031,634	2,176,868
Deposits	40,000	40,000
Trade and other receivables	769,133	1,002,052
Total credit risk	**1,840,767**	**3,218,920**

The Company's cash is placed with highly reliable financial institutions and the management is convinced there is no credit risk related to its cash and cash equivalent balances.

The Company's trade and other receivables is not subject to a significant credit risk based on past experience, since as the Company manages clients' portfolios, it can demand payment at any moment.

The Company does not have any other instruments that may cause significant credit risk.

20 Financial assets and liabilities - accounting classifications and fair values

20.1 *Accounting classifications and fair values*

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or transfer of liabilities.

20 Financial assets and liabilities - accounting classifications and fair values (continued)

20.1 *Accounting classifications and fair values (continued)*

The estimated fair values of all financial instruments approximate their carrying values. The estimated fair values of all financial assets and liabilities are calculated using discounted cash flow techniques based on estimated future cash flows and discount rates for similar instruments at the reporting date. The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, that use only observable market data and require little management judgment and estimation.

20.2 *Fair value hierarchy*

The Company measures fair values using the following fair value hierarchy:

Level 1 Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2 Inputs other than quotes prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 Inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

21 Related parties

Related parties or operations with related parties as defined by the IAS 24 "Notes on Parties" are:

(a) Parties directly or indirectly through one or more mediators: the accountants are controlled or controlled by the Company (including the parents, subsidiaries and partners) under the overall control; Holds a share in the company which gives a significant influence and has a joint control over the company;

(b) Partner Enterprise - The enterprises, which have a significant impact and are not a subsidiary company or joint venture.
(c) Joint ventures where the company is an enterprise;
(d) The personnel of the company or its parent;
(e) The close family members referred to in (a) or (d);
(f) The Party controlled, jointly controlled or suffered, or has significant suffrage, directly or indirectly, the individual referred to in (d) or (e);
(g) The employment of further remuneration for the employee or the party concerned with the company.

In considering each possible related party relationship, attention is directed to the substance of the

The details of the related party balances as at the reporting date and of transactions with them are provided in

Transactions with related parties during the year 2021	**Cost of sale**	**Administrative expenses**	**Salary expenses**	**Total**
Key management personnel	30,370	-	27,253	**57,623**
Other related parties	908,754	104,937	-	**1,013,691**
Total transactions with related parties for the year	**939,125**	**104,937**	**27,253**	**1,071,314**

Balances with related parties as at 31-Dec-2021	**Trade payables**	**Total**
Key management personnel	3,526	**3,526**
Other related parties	214,226	**214,226**
Total balances with related parties for the year	**217,752**	**217,752**

Transactions with related parties during the year 2020	**Purchase of PPE**	**Cost of sale**	**Administrative expenses**	**Salary expenses**	**Dividends paid**	**Total**
Owners	-	-	-	-	1,443,729	**1,443,729**
Key management personnel	-	-	-	73,286	-	**73,286**
Other related parties	580,849	1,682,515	206,782	-	-	**2,470,146**
Total transactions with related parties for the year	**580,849**	**1,682,515**	**206,782**	**73,286**	**1,443,729**	**3,987,161**

Balances with related parties as at 31-Dec-2020	**Trade payables**	**Total**
Other related parties	208,665	**208,665**
Total balances with related parties for the year	**208,665**	**208,665**

22 Capital management

Capital management is performed by the owners of the Company based on their requirements concerning the optimal capital structure of the Company. The Company only manages its capital structure for legal requirements in the jurisdictions where the Company operates.

The Company meets the minimum capital requirements set by the National Bank of Georgia, according to which minimum capital should not be less than GEL 500,000.

23 Contingencies

23.1 Legal proceedings

At the balance sheet date Company management is not aware of any active, suspended legal proceeding having the risk of dispute in the court against the Company that could materially affect the Company's financial position as at reporting date.

23 Contingencies *(continued)*

23.2 *Compliance with the regulator's requirements*

The Company is regulated by the National Bank of Georgia. Regulations to be satisfied by the Company are given in the order N145/04 on the approval of the licensing and regulation rule of the brokerage company, issued by the President of the National Bank.

Order 145/04 introduced changes in 2018 that oblige brokerage firms to separate and reconcile their own and clients' assets. The company fully complies with these requirements, and, in accordance with the requirements of the same order, submits to the National Bank, together with the annual audited report, auditors' letter to the management and a statement that the brokerage company complies with the regulations required by Article 9 of Order N145/04.

24 Going concern considerations

At the end of reporting period, management of the Company considers the Company's ability to continue as a going concern, in order to ensure that presentation of financial statements based on a going concern assumption is relevant in the circumstances. The management is convinced that the Company's functionality as going concern is not threatened and they don't have any plans for company liquidation or significant restriction of its activity.

25 Events after the reporting period

In autumn 2020, the increased cases of COVID-19 infections caused a partial "lockdown" from December 2020 to January 2021. As cases of COVID-19 infection have been significantly reduced, from February 01, 2021 to May 02, 2021 government began the gradually cancellation of restrictions. The management of the company can not make an accurate forecast about the possible effects of COVID 19 on company's activities. However, the Company's management assesses that the risks posed by COVID 19 are not expected to have significant negative impact on the Company's ability to continue as a going concern in the foreseeable future.

There have been no other events after the reporting period which require additional disclosures or adjustments to these financial statements.

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