GALT & TAGGART
CREATING OPPORTUNITIES

2023

JSC “Galt and Taggart”
International Financial Reporting Standards
Separate Financial Statements

Together with Independent Auditor’s Report
For the year ended 31 December 2023
Translated from original Georgian

TABLE OF CONTENTS

MOORE

Moore Abc, LLC
2 D.Gamrekeli Str,
0160, Tbilisi, Georgia

T +995 32 2 000 123
E info@moore.ge

www.moore-georgia.ge

INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of Joint Stock Company "Galt and Taggart":

Opinion

We have audited the separate financial statements of JSC "Galt and Taggart" („the Company") which comprise the statement of financial position as at December 31, 2023 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, 2023, 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 Consolidated 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.

Emphasis of the Matter

As part of the audit of the company's separate financial statements for the reporting year ending December 31, 2023, we also audited the corections presented in Note 5, which refer to the company's separate financial statements for the reporting year ending December 31, 2022. In our opinion, such amendments are appropriate and correct. We have not engaged to audit, review or perform any procedures on the Company's 2022 Separate Financial Statement other than as amended, and therefore we do not express an opinion or any other assurance on the 2022 Separate Financial Statement. Our opinion is not modified in respect of this matter.

Other matters

The separate financial statements prepared as of December 31, 2022 have been audited by another auditor who issued an unmodified opinion on March 24, 2023.

Other information

Management is responsible for the other information. The other information comprises the information included in the Management Report. Management reproti is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we review the 2023 management report, if we determine that there is a material misstatement, we are responsible for informing those charged with governance. It is also our obligation to express an opinion on the compliance of the parts of the company's 2023 governance report "On Accounting, Reporting and Auditing" with the Law of Georgia ("the Law") and in case of essential inaccuracies, to indicate their essence, Also, to declare in case of non-presentation of any information specified by law in the management Report.

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:

- 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

Moore Abc LLC

Audit firm registration number: SARAS-F-320544

Auditor's registration number: SARAS-A-865011

Date: March 26, 2024
Tbilisi, Georgia

JSC GALT AND TAGGART
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 31 DECEMBER, 2023
(GEORGIAN LARI)

	Note	2023	2022
Net brokerage fee and commission income	6	4,383,147	3,828,856
Net investment banking and advisory fees	7	32,469,342	3,843,521
Total income		**36,852,489**	**7,672,377**
Administrative expenses	8	(9,930,562)	(7,346,918)
Net gain/(loss) from financial assets at fair value through profit/loss		14,761	(10,283)
Other expenses, net	9	(216,692)	(664,108)
Net operating income		**26,719,996**	**(348,932)**
Interest income/(expense), net	10	1,822,197	716,804
Other non-operating expenses, net	11	(296,062)	(264,566)
Profit before tax		**28,246,131**	**103,306**
Income tax expense		-	-
Profit for the year		**28,246,131**	**103,306**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) for the year		-	-
Total comprehensive income		-	-
Total comprehensive income for the year		**28,246,131**	**103,306**

Approved for issue and signed on behalf of the management on 26 March 2024.

General Director
Irakli Kirtava

Managing Director
Levan Shavkatsishvili

Chief Financial Director
Irakli Andriadze

JSC GALT AND TAGGART
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 31 DECEMBER, 2023
(GEORGIAN LARI)

	Note	2023	2022
Net brokerage fee and commission income	6	4,383,147	3,828,856
Net investment banking and advisory fees	7	32,469,342	3,843,521
Total income		**36,852,489**	**7,672,377**
Administrative expenses	8	(9,930,562)	(7,346,918)
Net gain/(loss) from financial assets at fair value through profit/loss		14,761	(10,283)
Other expenses, net	9	(216,692)	(664,108)
Net operating income		**26,719,996**	**(348,932)**
Interest income/(expense), net	10	1,822,197	716,804
Other non-operating expenses, net	11	(296,062)	(264,566)
Profit before tax		**28,246,131**	**103,306**
Income tax expense		-	-
Profit for the year		**28,246,131**	**103,306**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) for the year		-	-
Total comprehensive income		-	-
Total comprehensive income for the year		**28,246,131**	**103,306**

Approved for issue and signed on behalf of the management on 26 March 2024.

General Director
Irakli Kirtava

Managing Director
Levan Shavkatsishvili

Chief Financial Director
Irakli Andriadze

JSC GALT AND TAGGART
SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER, 2023
(GEORGIAN LARI)

	Note	31 December, 2023	31 December, 2022* (Restated)	1 January, 2022 * (Restated)
ASSETS				
Non-current assets				
Property and equipment, right of use asset	12	1,294,642	1,542,585	1,872,561
Investment property	13	1,699,000	1,521,777	1,505,000
Intangible assets	14	538,994	674,725	732,051
Investments in non-consolidated subsidiaries	15	600,000	654,000	800,000
Investment in associates	16	620,022	746,794	1,271,528
Loans issued	17	-	-	1,889,468
Restricted cash		67,237	67,550	-
Prepayments	18	605,806	186,943	363,224
Total non-current assets		**5,425,701**	**5,394,374**	**8,433,832**
Current assets				
Financial assets at fair value through profit or loss	19	2,226,180	1,755,831	1,846,474
Loans issued	17	1,422,628	1,648,160	-
Prepayments	18	191,656	732,857	701,477
Accounts receivable	20	1,309,518	959,355	894,697
Cash and cash equivalents	21	4,642,810	3,020,121	3,296,506
Client's cash and cash equivalents	22	-	-	-
Total current assets		**9,792,792**	**8,116,323**	**6,739,154**
Total assets		**15,218,493**	**13,510,699**	**15,172,986**
EQUITY AND LIABILITIES				
Equity				
Issued share capital	23	1,461,987	3,820,292	4,365,707
Additional paid-in share capital	23	2,761,786	18,403,481	19,358,066
Retained earnings/(Accumulated loss)		7,322,421	(11,923,710)	(12,027,016)
Total equity		**11,546,194**	**10,300,063**	**11,696,757**
Non-current liabilities				
Lease Liability	24	496,841	825,660	1,311,944
Total long-term liabilities		**496,841**	**825,660**	**1,311,944**
Current liabilities				
Accounts payable	25	2,850,490	2,066,242	1,739,880
Amounts due to clients	22	-	-	-
Deferred income		-	-	68,553
Lease Liability	24	324,968	318,733	355,852
Total short term liabilities		**3,175,458**	**2,384,976**	**2,164,285**
Total liabilities		**3,672,299**	**3,210,636**	**3,476,229**
Total equity and liabilities		**15,218,493**	**13,510,699**	**15,172,986**

* Some data do not correspond to the 2022 financial statements and reflect the result of the amendments described in Note 5.

Approved for issue and signed on behalf of the management on 26 March 2024

General Director
Irakli Kirtava

Managing Director
Levan Shavkatsishvili

L.S

Chief Financial Director
Irakli Andriadze

JSC GALT AND TAGGART
SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER, 2023
(GEORGIAN LARI)

	Note	31 December, 2023	31 December, 2022* (Restated)	1 January, 2022 * (Restated)
ASSETS				
Non-current assets				
Property and equipment, right of use asset	12	1,294,642	1,542,585	1,872,561
Investment property	13	1,699,000	1,521,777	1,505,000
Intangible assets	14	538,994	674,725	732,051
Investments in non-consolidated subsidiaries	15	600,000	654,000	800,000
Investment in associates	16	620,022	746,794	1,271,528
Loans issued	17	-	-	1,889,468
Restricted cash		67,237	67,550	-
Prepayments	18	605,806	186,943	363,224
Total non-current assets		**5,425,701**	**5,394,374**	**8,433,832**
Current assets				
Financial assets at fair value through profit or loss	19	2,226,180	1,755,831	1,846,474
Loans issued	17	1,422,628	1,648,160	-
Prepayments	18	191,656	732,857	701,477
Accounts receivable	20	1,309,518	959,355	894,697
Cash and cash equivalents	21	4,642,810	3,020,121	3,296,506
Client's cash and cash equivalents	22	-	-	-
Total current assets		**9,792,792**	**8,116,323**	**6,739,154**
Total assets		**15,218,493**	**13,510,699**	**15,172,986**
EQUITY AND LIABILITIES				
Equity				
Issued share capital	23	1,461,987	3,820,292	4,365,707
Additional paid-in share capital	23	2,761,786	18,403,481	19,358,066
Retained earnings/(Accumulated loss)		7,322,421	(11,923,710)	(12,027,016)
Total equity		**11,546,194**	**10,300,063**	**11,696,757**
Non-current liabilities				
Lease Liability	24	496,841	825,660	1,311,944
Total long-term liabilities		**496,841**	**825,660**	**1,311,944**
Current liabilities				
Accounts payable	25	2,850,490	2,066,242	1,739,880
Amounts due to clients	22	-	-	-
Deferred income		-	-	68,553
Lease Liability	24	324,968	318,733	355,852
Total short term liabilities		**3,175,458**	**2,384,976**	**2,164,285**
Total liabilities		**3,672,299**	**3,210,636**	**3,476,229**
Total equity and liabilities		**15,218,493**	**13,510,699**	**15,172,986**

* Some data do not correspond to the 2022 financial statements and reflect the result of the amendments described in Note 5.

Approved for issue and signed on behalf of the management on 26 March 2024

General Director
Irakli Kirtava

Managing Director
Levan Shavkatsishvili

Chief Financial Director
Irakli Andriadze

JSC GALT AND TAGGART
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(GEORGIAN LARI)

	Share capital	Additional paid-in capital	Accumulated loss	Total equity
At 1 January 2022	**4,365,707**	**19,358,066**	**(12,027,016)**	**11,696,757**
Profit for the year	-	-	103,306	103,306
Buyback of shares	(545,415)	(954,585)	-	(1,500,000)
At 31 December 2022	**3,820,292**	**18,403,481**	**(11,923,710)**	**10,300,063**
Profit for the year	-	-	28,246,131	28,246,131
Buyback of shares	(2,358,305)	(15,641,695)	-	(18,000,000)
Dividend	-	-	(9,000,000)	(9,000,000)
At 31 December 2023	**1,461,987**	**2,761,786**	**7,322,421**	**11,546,194**

Approved for issue and signed on behalf of the management on 26 March 2024

General Director
Irakli Kirtava

Managing Director
Levan Shavkatsishvili

Chief Financial Director
Irakli Andriadze

	Share capital	Additional paid-in capital	Accumulated loss	Total equity
At 1 January 2022	**4,365,707**	**19,358,066**	**(12,027,016)**	**11,696,757**
Profit for the year	-	-	103,306	103,306
Buyback of shares	(545,415)	(954,585)	-	(1,500,000)
At 31 December 2022	**3,820,292**	**18,403,481**	**(11,923,710)**	**10,300,063**
Profit for the year	-	-	28,246,131	28,246,131
Buyback of shares	(2,358,305)	(15,641,695)	-	(18,000,000)
Dividend	-	-	(9,000,000)	(9,000,000)
At 31 December 2023	**1,461,987**	**2,761,786**	**7,322,421**	**11,546,194**

Approved for issue and signed on behalf of the management on 26 March 2024

General Director
Irakli Kirtava

Managing Director
Levan Shavkatsishvili

Chief Financial Director
Irakli Andriadze

JSC GALT AND TAGGART
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(GEORGIAN LARI)

	Note	2023	2022* (Restated)
Cash flow from operating activities			
Profit before tax for the year		28,246,131	103,306
Depreciation and amortization	12/14	664,778	657,477
Impairment of loan issued	11/17	506,922	319,578
Net foreign exchange gain/(loss)	10	(5,579)	202,457
Write-off of bad debts	20	168,191	254,909
Recovery of impairment reserve		-	(71,546)
Interest income	10	(1,840,135)	(992,551)
Interest expense	24	23,517	34,438
Loss/(gain) on revaluation of investment property	13	(177,223)	(16,777)
Impairment of investment in associates	16	126,772	524,734
Impairment of investment in non-consolidated subsidiary	15	54,000	146,000
Cash inflow from operating activities before changes in operating assets and liabilities		**27,767,374**	**1,162,025**
Decrease in financial assets at fair value through profit or loss		(407,629)	75,516
Decrease/(Increase) in prepayments		122,337	144,901
Decrease/(Increase) in restricted cash		315	(67,550)
Decrease/(Increase) in accounts receivables		(653,481)	(299,578)
Increase in accounts payable		772,822	265,290
Cash inflow from operating activities before interest and taxation		**27,601,738**	**1,280,604**
Interest received		1,572,490	672,972
Paid Dividend	23	(9,000,000)	-
Interest paid	24	(23,517)	(34,438)
Net cash inflow from operating activities		**20,150,711**	**1,919,138**
Cash flow from investing activities			
Purchase of property and equipment	12	(216,333)	(115,661)
Purchase of intangible assets	14	(64,771)	(154,514)
Net cash outflow from investing activities		**(281,104)**	**(270,175)**
Cash flow from financing activities			
Share buyback	23	(18,000,000)	(1,500,000)
Proceeds from bank borrowings		-	-
Repayment of bank borrowings		-	-
Repayments of principal portion of lease liabilities	24	(310,758)	(339,374)
Net cash outflow from financing activities		**(18,310,758)**	**(1,839,374)**
Increase in cash and cash equivalents		**1,558,849**	**(190,411)**
Cash and cash equivalents at the beginning of the year	21	3,020,121	**3,296,506**
Effect on changes in foreign exchange rate on cash and cash equivalents		63,840	(85,974)
Cash and cash equivalents at the end of the year	21	**4,642,810**	**3,020,121**

* Some data do not correspond to the 2022 financial statements and reflect the result of the amendments described in Note 5.

Approved for issue and signed on behalf of the management on 26 March 2024

General Director
Irakli Kirtava

Managing Director
Levan Shavkatsishvili

Chief Financial Director
Irakli Andriadze

JSC GALT AND TAGGART
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(GEORGIAN LARI)

	Note	2023	2022* (Restated)
Cash flow from operating activities			
Profit before tax for the year		28,246,131	103,306
Depreciation and amortization	12/14	664,778	657,477
Impairment of loan issued	11/17	506,922	319,578
Net foreign exchange gain/(loss)	10	(5,579)	202,457
Write-off of bad debts	20	168,191	254,909
Recovery of impairment reserve		-	(71,546)
Interest income	10	(1,840,135)	(992,551)
Interest expense	24	23,517	34,438
Loss/(gain) on revaluation of investment property	13	(177,223)	(16,777)
Impairment of investment in associates	16	126,772	524,734
Impairment of investment in non-consolidated subsidiary	15	54,000	146,000
Cash inflow from operating activities before changes in operating assets and liabilities		**27,767,374**	**1,162,025**
Decrease in financial assets at fair value through profit or loss		(407,629)	75,516
Decrease/(Increase) in prepayments		122,337	144,901
Decrease/(Increase) in restricted cash		315	(67,550)
Decrease/(Increase) in accounts receivables		(653,481)	(299,578)
Increase in accounts payable		772,822	265,290
Cash inflow from operating activities before interest and taxation		**27,601,738**	**1,280,604**
Interest received		1,572,490	672,972
Paid Dividend	23	(9,000,000)	-
Interest paid	24	(23,517)	(34,438)
Net cash inflow from operating activities		**20,150,711**	**1,919,138**
Cash flow from investing activities			
Purchase of property and equipment	12	(216,333)	(115,661)
Purchase of intangible assets	14	(64,771)	(154,514)
Net cash outflow from investing activities		**(281,104)**	**(270,175)**
Cash flow from financing activities			
Share buyback	23	(18,000,000)	(1,500,000)
Proceeds from bank borrowings		-	-
Repayment of bank borrowings		-	-
Repayments of principal portion of lease liabilities	24	(310,758)	(339,374)
Net cash outflow from financing activities		**(18,310,758)**	**(1,839,374)**
Increase in cash and cash equivalents		**1,558,849**	**(190,411)**
Cash and cash equivalents at the beginning of the year	21	3,020,121	**3,296,506**
Effect on changes in foreign exchange rate on cash and cash equivalents		63,840	(85,974)
Cash and cash equivalents at the end of the year	21	**4,642,810**	**3,020,121**

* Some data do not correspond to the 2022 financial statements and reflect the result of the amendments described in Note 5.

Approved for issue and signed on behalf of the management on 26 March 2024

General Director
Irakli Kirtava

Managing Director
Levan Shavkatsishvili

Chief Financial Director
Irakli Andriadze

1. PRINCIPAL ACTIVITY

a) The company and its activities

JSC Galt and Taggart (the "Company") was established on 19 December 1995 under the laws of Georgia. The Company operates under a brokerage license issued by the National Bank of Gerogia ("NBG"; the Central Bank of Georgia) on 10 September 2014. During the years 2000-2009 the Company operated as "Galt and Taggart Securities", during 2009-2014 operated as "BG Capital". And since 26 August 2014, the Company operates under the name – JSC "Galt and Taggart" (identification number - 211359206).The Company is fully owned subsidiary of JSC "BG Financial" as at 31 December 2023 and 2022, the Company's ultimate parent (100%) is "Bank of Georgia Group" PLC which is registered on the London Stock Exchange.Galt & Taggart is a leading investment bank and brokerage company in the Georgian market. The company offers clients all types of investment banking services, such as brokerage, research and consulting services, investment banking services, asset and property management. The Galt & Taggart team consists of more than 50 professionals.

The company is the parent company of the following subsidiary registered abroad:

	Percentage of voting rights and ordinary capital held			
Subsidiary company	**December 31 2023**	**December 31 2022**	**Country of establishment**	**Registration date**
Galt and Taggart Holding Limited	99.23%	99.23%	Republic of Cyprus	July 3 2006

The Company's registered legal address is 3 Aleksandr Pushkin St, Tbilisi, 0102, Geoergia.

b) Operating environment

The company mainly operates in Georgia. A developing economy like Georgia is rapidly changing and vulnerable to global market conditions and economic downturns. As a result, operations in Georgia may involve risks are not typically associated with those in developed markets. Nevertheless, over the past few years, the Georgian government has initiated civil, criminal, tax administrative, and commercial reforms, which have positively impacted the country's investment climate in general.

On February 24, 2022, the Russia-Ukraine war began, which has an impact not only on the European region but also on the whole world. As a result of the war in Ukraine, many leading countries and economic unions announced severe economic sanctions against Russia, and there was a significant depreciation of the Russian ruble against foreign currencies, as well as a significant loss in the securities markets. Many companies have taken their business out of Russia and Belarus. The situation is still unclear, but it has already resulted in a humanitarian crisis and material economic losses for Ukraine, Russia, and the rest of the world.The mentioned war did not have a significant impact on the company's activities; however, future results are difficult to predict; management's current expectations and estimates may differ materially from actual results.

2. BASIS OF PREPARATION

a) GENERAL

These separate financial statements (the "Financial Statements") are prepared in accordance with International Financial Reporting Standards ("IFRS").

The preparation of financial statements under IFRS requires certain estimates and assumptions to be made. It also requires the company's management to use judgment to adopt and implement the most appropriate accounting policies. Significant accounting estimates and assumptions used in the preparation of the separate financial statements are set out in Note 4 to the separate financial statements.

The main principles of accounting policies used in the preparation of individual financial statements are given in Note 3 of the individual financial statements. The application of accounting policies is carried out continuously for all years unless otherwise indicated.

New or Changed Accounting Standards and Interpretations

The Company has implemented and taken into account all new and amended accounting standards and interpretations issued by IASB that were mandatory in the current reporting period.

New or amended accounting standards and interpretations Early adoption

The Company has not early implemented and assessed the impact of those standards and interpretations that have been issued but are not yet effective during the reporting period ending December 31, 2023.

b) INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The company records an investment in a subsidiary at the cost of that investment until the investment is derecognised or impaired in its separate financial statements. The carrying amount of investments in subsidiaries is reviewed at each reporting date to determine whether there is any indication of impairment. If such an indicator exists, the asset's recoverable amounts are determined. An impairment loss is recognised when the carrying amount of the investment in the subsidiary exceeds the recoverable amount. An impairment loss is recognised in profit or loss.

Associates are entities in which the Company generally has between 20% and 50% of the voting rights, or is otherwise able to exercise significant influence, but which it does not control or jointly control. As the Company does not prepare consolidated financial statements investments in associates are not accounted under equity method and are recognised at acquisition cost less impairment losses. The presented financial statements asiciated are not accounted in accordane equity method and is accounted at cost, because the company meets all the conditions listed below in accordance with IFRS 10, "Consolidated Financial Statements.":

- Company is a wholly-owned subsidiary of another entity;
- The entity's debt or equity instruments are not traded in a public market
- The entity did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation, for the purpose of issuing any class of instruments in a public market; and
- The ultimate parent of the entity produces financial statements available for public use that comply with IFRSs, in which subsidiaries are consolidated.

3. SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES

Principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

FUNCTIONAL AND PRESENTATION CURRENCY

The Company's functional currency is the Georgian Lari ("GEL"). The presentational currency of the Company's financial statements is the Georgian Lari.Operations in foreign currency are initially recorded in the functional currency at the rate determined by the National Bank of Georgia for the day of the operation.As of the date of the financial statement, the monetary assets in foreign currency are converted into functional currency at the exchange rate established by the National Bank of Georgia at the end of the year. All exchange rate differences arising during settlement are reflected in the profit and loss statement.

Transactions and balances

Monetary assets and liabilities are converted into the functional currency of each enterprise at the end of the relevant reporting period at the exchange rate of the National Bank of Georgia ("NBG"). Foreign currency gains and losses arising from settlement transactions and year-end monetary assets and liabilities denominated in each entity's functional currency are recognised in profit and loss for the year. Foreign exchange gains and losses related to borrowed funds and cash and cash equivalents are recognised in the statement of profit and loss and in other comprehensive income under "finance income or expenses". All other foreign exchange gains and losses are reflected in the statement of profit and loss and in other comprehensive income, "Other income/(expense), net". Conversion at the exchange rate at the end of the year does not apply to non-monetary items, which are evaluated at their original cost. Non-monetary items valued in foreign currency, including equity investments, are recalculated at the exchange rate prevailing on the date of determination of fair value. The effect of changes in exchange rates on non-monetary items measured at fair value in a foreign currency is recorded as part of the fair value gain or loss.

As of December 31, the main exchange rates established by the National Bank of Georgia used for the conversion of foreign currency balances were as follows: : USD 1 = GEL 2.6866, EUR 1 = GEL 2.9753, British Pound Sterling GBP 1= GEL 3.4228 and Swiss franc CHF CHF 1= 3.2085.

As of December 31, 2022, the main exchange rates established by the National Bank of Georgia used for the conversion of foreign currency balances were as follows: USD 1 = GEL 2.7020, Euro EUR 1 = GEL 2.8844, British Pound Sterling GBP 1 = GEL 3.2581 and Swiss franc CHF 1= 2.9322.

As of December 31, 2021, the main exchange rates established by the National Bank of Georgia used for the conversion of foreign currency balances were as follows: USD 1 = GEL 3.0976; EUR 1 = GEL 3.5040; British Pound Sterling GBP 1 = GEL 4.1737; and Swiss Franc CHF 1 = 3.3772.

REVENUE RECOGNITION

The company recognises a provision for the transfer of promised goods or services to customers in the amount of consideration that it expects to be entitled to receive in exchange for the transfer of those goods. The company uses a five-step model for all customer contracts:

• Identifying the contract

• Satisfaction of performance obligations

• Determining the transaction price

• Allocating the transaction price to performance obligations

• Revenue recognised, when (or if) a person fulfills a contractual obligation.

The company recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Enforceable obligation and revenue recognition over time

The main part of the company's revenue is the commission for the provision of services for trading shares on behalf of clients on the trading platform and the commission from the placement of bonds.*Revenue from brokerage activity* The company offers its clients services related to securities trading on the international brokerage platform. The service is provided at a specific moment in time during the transaction requested by the client (purchase of shares, sale, transfer of funds, etc.).

*Revenue from placement of bonds*The company offers its clients bond issuance, purchase, circulation, and delivery services. The company recognises revenue from the placement of bonds at the moment of transfer to the purchaser of the bonds.*Determining of contract costs*

The company's revenue from the bonds represents a percentage of its placement value as determined by the contract, and the revenue from each placement is calculated at the specified rate. The annual cost of the Bond Escrow Agent service is a fixed amount for all

3. SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES (Continued)

*clients. Trading fees on a brokerage platform differ by financial instrument and trading exchange.Allocation of value between the obligations to be performed*The company's contracts have fixed prices. The contract specifies the corresponding fee for each obligation.

EXPENSES

Expenses are recognised in the statement of comprehensive income if there is a decrease in future economic benefits associated with a decrease in an asset or an increase in a liability that can be reliably determined.

Expenditures are recognised in the statement of profit and loss as incurred if economic benefits from the expenses are no longer expected in the future or if the future economic benefits no longer meet the criteria for recognition as an asset in the balance sheet.

EMPLOYEE BENEFITS

Wages, salaries, 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. The Company has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

INCOME TAX

Income taxes have been provided for in these financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period.

On 13 May 2016 the Government of Georgia enacted the changes in the Tax Code of Georgia whereby companies (other than banks, credit unions, insurance companies, microfinance organizations and pawn shops) do not have to pay income tax on their profit earned since 1 January 2017, until that profit is distributed or deemed distributed in a form of dividend.

The income tax at 15% is payable on gross up value (i.e., net dividends shall be grossed up by withholding tax 5%, if applicable, and divided by 0.85) at the moment of the dividend payment to individuals or to non-resident legal entities. Dividends paid to resident legal entities from the profits earned since 1 January 2017 are tax exempted.

Income tax arising from distribution of dividends is accounted for as an income tax expense in the period in which dividends are declared, regardless of the actual payment date or the period for which the dividends are paid

In addition to the distribution of dividends, the tax is still payable on expenses or other payments incurred not related to economic activities, free delivery of assets or services and representation costs that exceed the maximum amount determined by the Tax Code of Georgia. All advances paid to entities registered in jurisdictions having preferential tax regime and other certain transactions with such entities as well as loans granted to individuals or non-residents are immediately taxable. Such taxes along with other taxes, net of tax credits claimed on assets or services received in exchange for the advances paid to entities registered in jurisdictions having preferential tax regime or recovery of loans granted to individuals or non-residents, are recorded under Taxes other than on income within operating expenses.

TAXES OTHER THAN INCOME TAX

Taxes other than income tax are recognised in the reporting period in which the binding event occurs. A mandatory event is an action or a fact that, according to the Tax Code of Georgia, determines the payment of tax. Prepaid taxes, from which future economic benefits are expected to flow, are recognised as assets.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, where required.

At the end of each reporting period Management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, Management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs of disposal and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a change in the estimates used to determine the asset's value in use or fair value less costs of disposal.Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year within other income or expenses.

Land, CIP and uninstalled equipment are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

3. SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES (Continued)

	Useful life (Year)
Computers and equipment	5
Furniture and other inventory	5

The useful life of leasehold improvements is determined by the term of the lease.

The residual value of an asset is the estimated amount that the Company would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

LEASE

The company leases the headquarter. The right to use the asset is presented together with property plant and equipment in the separate statement of financial position. Assets arising from a lease are initially measured on a present value basis. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- costs to restore the asset to the conditions required by lease agreements.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

INVESTMENT PROPERTY

Investment property is property held by the Company to earn rental income or for capital appreciation, or both and which is not occupied by the Company. Investment property is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value updated to reflect market conditions at the end of the reporting period.

Fair value of investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.Market value of the Company's investment property is determined based on reports of independent appraisers, who hold a recognised and relevant professional qualification and who have recent experience in valuation of property of similar location and category. Earned rental income is recorded in the separate statement of comprehensive income within net other income. Gains and losses resulting from changes in the fair value of investment property is recorded in the separate statement of comprehensive income within gain on investment property revaluation.

INTENGIBLE ASSETS

Separately acquired intangible assets are measured at cost upon initial recognition. After initial recognition, an intangible asset is carried at cost less than any accumulated amortization and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each accounting period. A change in the expected useful life or the expected absorption of future economic benefits from an asset is accounted for by changing the depreciation period or method accordingly and is treated as a change in accounting estimates. The amortization expense of finite-lived intangible assets is recognised in profit or loss in the appropriate expense category of the intangible asset functions.

IMPAIRMENT OF NON-FINANCIAL ASSETS

In each reporting period, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that these assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any such asset (or group of related assets) is assessed and compared with its carrying amount, if the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and the impairment loss is recognized immediately in profit or loss.If an impairment loss is indicated for a non-financial asset, the carrying amount of the asset (or group of related assets) is increased to the adjusted estimate of its recoverable amount, but not more than the amount that would have been determined for the asset (or group of related assets) that did not have an impairment loss in previous years. A reversal of a previously recognized impairment loss will be recognized immediately in profit or loss.

3. SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS

All purchases or sales of financial assets shall be recognised as applicable, using trade date accounting or settlement date accounting, ie the date on which the company undertakes to purchase the asset or liability. Purchase or sale in the normal course of business means such purchase or sale of financial assets and liabilities, which requires the transfer of assets and liabilities in the period determined by the legislation in general practice in the market. The company classifies financial assets with one of the following based on the business model of instrument management and contractual conditions: amortized value; Fair value in other comprehensive income; Fair value through profit or loss.

The business model reflects how the Company manages the assets in order to generate cash flows – whether the Company's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a Company of assets (on a portfolio level) based on all relevant evidence about the activities that the Comany undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Company in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL"). Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interestmethod. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Company commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

The company's management has assessed which business model is appropriate for the company's financial assets and classified all assets into the following categories: "financial assets that are measured at amortized cost" (Trade and other receivables, loans issued, cash and cash equivalents, customer cash and cash equivalents) and "financial assets that are measured at fair value, (investments in equity instruments).

Financial assets – reclassification

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The entity did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL.

The Company measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Trade and other receivables and loans issued are presented in statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, separate provision for ECL is recognised as a liability in the statement of financial position.

3. SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company applies simplified approach for impairment of trade and lease receivable. For issued loans the Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – derecognition.

The Company derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial liabilities

Financial liabilities are recognised at amortized cost or at fair value through profit or loss when they are held for trading, or are derivative instruments, or are classified at fair value.

Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the separate statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and money in current accounts with banks, which are subject to a small risk of price changes. Cash and cash equivalents are recorded at amortized cost using the effective interest method. The company depreciates cash and cash equivalents in accordance with IFRS-9.

Cash and other financial instruments of clients in nominal possession

Cash and other financial instruments of clients in nominal possession is credited to the off-balance account.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and are subsequently carried at AC using the effective interest method.

3. SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES (Continued)

LOANS ISSUED

Based on the business model and the cash flow characteristics, the Company classifies loans into one of the following measurement categories: (i) AC: loans that are held for collection of contractual cash flows and those cash flows represent SPPI and loans that are not voluntarily designated at FVTPL, and (ii) FVTPL: loans that do not meet the SPPI test or other criteria for AC or FVOCI are measured at FVTPL. Impairment allowances are determined based on the forward-looking ECL models.

INVESTMENTS IN EQUITY SECURITIES

Financial assets that meet the definition of equity from the issuer's perspective, i.e. instruments that do not contain a contractual obligation to pay cash and that evidence a residual interest in the issuer's net assets, are considered as investments in equity securities by the Company. Investments in equity securities are measured at FVTPL, except where the Company elects at initial recognition to irrevocably designate an equity investments at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. When the FVOCI election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversals, if any, are not measured separately from other changes in fair value. Dividends continue to be recognised in profit or loss when the Company's right to receive payments is established except when they represent a recovery of an investment rather than a return on such investment.

TRADE AND OTHER PAYABLES

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

LEASE LIABILITIES

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease.

Lease payments are allocated between principal and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.Payments associated with short-term leases of warehouses and are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

SHARE-BASED PAYMENT TRANSACTIONS

Employees of the Company receive share-based remuneration, whereby they render services and receive equity instruments as consideration for the services provided. The cost of share-based payment transactions with employees is recorded at fair value on the date they are received.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

DIVIDENDS

Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved. Any dividends declared after the reporting period and before these financial statements are authorised for issue are disclosed in the subsequent events note.

PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Company

3. SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES (Continued)

has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment.

CURRENT AND LONG-TERM CLASSIFICATION

In the statement of financial position, the company presented assets and liabilities individually based on current/non-current classification. A company considers an asset as short-term if it: holds the asset primarily for trading purposes; the realization of the value of the asset is assumed or is intended to be its sale or consumption during the normal operating cycle; Realization of the value of the asset is assumed within twelve months after the reporting period; or the asset is cash or cash equivalents unless its exchange or use to settle a liability is restricted for at least twelve months after the reporting period. Other assets are classified as non-current assets.

A liability is considered short-term if: its settlement is expected within the normal operating cycle; It is mainly used for commercial purposes; it must be settled within 12 months after the reporting period; or the enterprise does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Other liabilities are classified as non-current liabilities.

DETERMINING FAIR VALUE

Fair value is 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. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

EVENTS AFTER THE REPORTING PERIOD

Subsequent events of the reporting period and events occurring before the date of authorization of the financial statements, which provide additional information about the company's financial position, are reflected in the financial statements. Post-balance sheet events that do not affect the company's financial position at the balance sheet date, but are of material importance, are reflected in the accompanying notes to the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that affect the amounts recognised in these separate financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on Management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in these separate financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Determination and valuation process of fair value

Investments in financial instruments are valued at fair value. The inputs used in the fair value determination are unobservable inputs and the valuation was made based on level 3 information in the fair value determination hierarchy. Changes in accounting estimates can cause significant variations in the carrying amounts and items of comprehensive income for the period.

5. PRIOR PERIOD RECLASSIFICATIONS AND CORRECTIONS

In 2023, the company changed its accounting policy in the accounting of the client's cash and cash equivalents in nominal accounts and decided to record the said cash funds in an off-balance sheet account. The main reason why the company decided to transfer the mentioned item to the off-balance sheet is that the company does not control the mentioned cash funds and therefore the mentioned assets do not meet the criteria of recognition as an asset. Below are the main factors why the company considered that it does not have control over the assets in nominal ownership:

a) According to the contract signed with the clients, the company is only authorized to carry out a transaction with the said funds when it receives an order from the client to perform a specific operation with the said funds

b) The company does not have the authority to determine the investment policy without the client, the investment policy is determined by agreement with the client;

c) It is required by law that the funds in nominal ownership must be placed on a special nominal ownership account separately from the company's accounts, which means that it is separate from the company's cash funds and the company has no right to use it in economic activities, and any type of seizure does not apply to the company on nominal owner account;

d) the company's credit risk does not apply to the said funds deposited in commercial banks, which means that the company does not assume any obligation, duty or responsibility in contract, tort or otherwise, including the execution or performance of any actions related to the "Service" and/or this agreement, in tort or otherwise, including in connection with the execution or performance of any act related to the "Service" and/or this Agreement, except for the duty to exercise due care and skill and, notwithstanding any other provision, in no event shall the Company or any other Recipients be liable in contract, tort or otherwise for any profits of the client, (including unearned, direct and/or indirect) damages and/or losses directly and/or indirectly related to income, business, anticipated savings and/or any and all direct, indirect or consequential damages and/or losses, except to the extent and to the extent that the Court determines in its final judgment (if any) that such damages are directly attributable to the express and direct gross negligence, fraud or willful misconduct of the Company and other Indemnitees.

The change in accounting policy affected only the presentation of these articles of financial statements. the company no longer recognition the mentioned assets and liabilities in its own financial statements, however, in the explanatory note, it presents information about the client's cash funds in nominal ownership (note 22). in addition, the change in accounting policy did not affect the profit or loss of the corresponding period, nor the accumulated profit of the opening balance of the corresponding period.

Effect on the statement of financial position:

31 December 2022	According to the previous year's report	Reclassification/ Adjustment	Corrected Amount
Assets			
Clients Cash and Cash Equivalents	75,890,697	(75,890,697)	-
Equity and Liabilities			
cash liabilities of customers	(75,890,697)	75,890,697	-

1 January 2022	According to the previous year's report	Reclassification/ Adjustment	Corrected Amount
Assets			
Clients Cash and Cash Equivalents	154,750,068	(154,750,068)	-
Equity and Liabilities			
cash liabilities of customers	(154,750,068)	154,750,068	-

6. NET BROKERAGE FEE AND COMMISSION INCOME

Net brokerage fee and commission for 2023 and 2023 is presented as follows:

	2023	2022
Commission income from trading platform	5,263,953	4,784,076
Brokerage fees	1,658,635	1,433,535
Commission income from storage of securities	922,182	1,036,531
Other commission income	298,354	122,620
Total brokerage fee and commission income	**8,143,124**	**7,376,762**
Brokerage commission expense	(3,759,977)	(3,547,906)
Net brokerage fee and commission income	**4,383,147**	**3,828,856**

7. NET INVESTMENT BANKING AND ADVISORY FEES

Net investment banking and advisory fees for 2023 and 2022 is presented as follows:

	2023	**2022**
Commission income from Bank Service	26,901,051	-
Commission income from bonds placement	5,932,322	2,866,753
Income from advisory and research	263,367	1,557,978
Total investment banking and advisory fees	**33,096,740**	**4,424,731**
Expenses related to investment banking and advisory	(627,398)	(581,210)
Total other operating income	**32,469,342**	**3,843,521**

On January 10, 2023, the company completed a significant purchase and sale transaction, from which it received a commission of 26,901,051 GEL. JSC Galt and Taggart represented the transaction intermediary for the selling parties.

8. ADMINISTRATIVE EXPENSES

Administrative expenses for 2023 and 2022 is presented as follows:

	2023	**2022**
Salaries (excluding annual bonus)	4,861,426	3,612,000
Annual bonus exspense	3,493,955	2,348,527
Depreciation and amortization	664,778	657,477
Bad debt expense	168,191	254,909
Representation costs	166,075	81,046
Sales & marketing expenses	116,339	69,252
Consulting and other professional services	41,243	57,814
Taxes	62,875	80,135
Other administrative expenses	355,680	185,758
Total administrative expenses	**9,930,562**	**7,346,918**

9. OTHER EXPENSES, NET

Other expenses, net for 2023 and 2022 is presented as follows:

	2023	**2022**
Impairment loss of investments in associate	126,772	524,734
Impairment loss of non-consolidated subsidiary	54,000	146,000
Other operating income	-	(27,438)
Other expenses	35,920	20,812
Total other expenses	**216,692**	**664,108**

10. INTEREST INCOME/(EXPENSE), NET

Interest income/(expense), net for 2023 and 2022 is presented as follows:

	2023	**2022**
Interest income from current accounts and deposits	1,431,865	517,588
Interest income from issued loan	289,076	319,578
Foreign exchange loss related to loan issued	5,579	(241,309)
Interest income from interest-bearing securities	119,194	155,385
Interest expense related to the lease liability	(23,517)	(34,438)
Total interesest income/(expense), net	**1,822,197**	**716,804**

11. OTHER NON-OPERATING EXPENSE, NET

Other non-operating expense, net for 2023 and 2022 is presented as follows:

	2023	**2022**
Impairment of loan issued	506,922	319,578
Income from revaluation of IP	(177,223)	(16,777)
Other non-operating income	(36,637)	(38,235)
Total non-operating expense, net	**296,062**	**264,566**

12. PROPERTY AND EQUIPMENT, RIGHT OF USE ASSET

Property and equipment, right of use asset is presented as follows:

Cost	**Computer Equipment**	**Furniture and Fixtures**	**Leasehold Improvements**	**Right-of-use Assets**	**Vehicles**	**Total**
At January 1, 2022	**409,301**	**249,494**	**264,061**	**1,874,040**	**-**	**2,796,896**
Additions	98,655	17,005	-	-	-	115,660
Write off	(54,918)	(9,225)	(264,061)	-	-	(328,204)
At December 31 2022	**453,038**	**257,274**	**-**	**1,874,040**	**-**	**2,584,352**
Additions	104,129	22,218	14,974	-	75,012	**216,333**
Write off	-	-	-	-	-	-
At December 31 2023	**557,167**	**279,492**	**14,974**	**1,874,040**	**75,012**	**2,800,685**
Accumulated depreciation						
At January 1, 2022	**254,864**	**203,357**	**264,061**	**202,053**	**-**	**924,335**
Depreciation	54,830	18,447	-	372,360	-	445,637
Depreciation of written off items	(54,919)	(9,225)	(264,061)	-	-	(328,205)
At December 31 2022	**254,775**	**212,579**	**-**	**574,413**	**-**	**1,041,767**
Depreciation	71,238	17,221	2,529	372,360	928	464,276
Write off	-	-	-	-	-	-
At December 31 2023	**326,013**	**229,800**	**2,529**	**946,773**	**928**	**1,506,043**
Net carrying amount						
At January 1, 2022	**154,437**	**46,137**	**-**	**1,671,987**	**-**	**1,872,561**
At December 31 2022	**198,263**	**44,695**	**-**	**1,299,627**	**-**	**1,542,585**
At December 31 2023	**231,154**	**49,692**	**12,445**	**927,267**	**74,084**	**1,294,642**

As of December 31, 2023 and 2022, the Company's property and equipment were not encumbered by mortgages to secure obligations.

13. INVESTMENT PROPERTY

Investment property as of December 31, 2023 and December 31, 2022 are as follows:

	December 31 2023	**December 31 2022**	**January 1, 2022**
Opening balance at 1 January	1,521,777	1,505,000	1,505,000
Income/(loss) from fair value measurement	177,223	16,777	-
Closing balance at 31 Decemeber	**1,699,000**	**1,521,777**	**1,505,000**

The investment property is an office space, the roll address is: Chavchavadze Ave. No. 7, Tbilisi, Georgia. Investment property is recorded at fair value. As of December 31, 2022 and 2021, the fair value of the investment property is determined by an external expert company (JSC „Georgian Valuation Company“) with experience in valuing similar investment properties and real estate market valuation.

14. INTANGIBLE ASSETS

Intangible assets as of December 31, 2023 and December 31, 2022 are as follows:

Cost	**Licenses and patents**	**Software systems**	**Total**
At January 1, 2022	**261,275**	**847,365**	**1,108,640**
Additions	21,298	133,216	154,514
At December 31 2022	**282,573**	**980,581**	**1,263,154**
Additions	4,248	60,523	64,771
At December 31 2023	**286,821**	**1,041,104**	**1,327,925**
Amortization			
At January 1, 2022	**198,558**	**178,031**	**376,589**
Amortization	27,438	184,402	211,840
At December 31 2022	**225,996**	**362,433**	**588,429**
Amortization	26,522	173,980	200,502
At December 31 2023	**252,518**	**536,413**	**788,931**
Net carrying amount			
At January 1, 2022	**62,717**	**669,334**	**732,051**
At December 31 2022	**56,577**	**618,148**	**674,725**
At December 31 2023	**34,303**	**504,691**	**538,994**

15. INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

Investments in non-consolidated subsidiaries can be presented as follows:

	December 31 2023	December 31 2022	January 1, 2022
Galt and Taggart Holding Limited (Cyprus)	654,000	800,000	969,000
Total investments in non-consolidated subsidiaries	**654,000**	**800,000**	**969,000**
The movement in the net value of investment	(54,000)	(146,000)	(169,000)
Balance at 31 December	**600,000**	**654,000**	**800,000**

"Galt & Taggart Holding Limited" LLC was registered in Cyprus on July 3, 2006 with identification number 179498. The legal address of the company is - Makarius III 58, IRIS TOWER, 7th floor, office 702, P.C. 1075, Nicosia, Cyprus. Investing in Galt & Taggart Holding Ltd. is not an operational activity of the company and it does not affect the main activities of the subsidiary company. However, this investment is related to the strategic business operations of the holding company (BG Financial JSC). The financial statements of Galt & Taggart JSC are consolidated with the financial statements of the holding company. The owner company invested in Galt & Taggart Holding Ltd. through Galt & Taggart JSC.

16. INVESTMENT IN ASSOCIATES

Investments in associates can be presented as follows:

	31 December 2023				31 December 2022				1 January 2022			
	Georgian stock exchange JSC [15.33%]	**Tbilisi Stock Exchange JSC [24%]**	**Other**	**Total**	**Georgian stock exchange JSC [15.33%]**	**Tbilisi Stock Exchange JSC [24%]**	**Other**	**Total**	**Georgian stock exchange JSC [15.33%]**	**Tbilisi Stock Exchange JSC [24%]**	**Other**	**Total**
1 January	**110,250**	**626,944**	**9,600**	**746,794**	**110,250**	**1,151,678**	**9,600**	**1,271,528**	**110,250**	**1,151,678**	**9,600**	**1,271,528**
Impairment for the year	-	(126,772)	-	(126,772)	-	(524,734)	-	(524,734)	-	-	-	-
Balance at 31 December	**110,250**	**500,172**	**9,600**	**620,022**	**110,250**	**626,944**	**9,600**	**746,794**	**110,250**	**1,151,678**	**9,600**	**1,271,528**

The main activity of associates is to collect proposals for buying and selling securities and other financial instruments, organizing public trade in accordance with established rules and procedures, and disseminating other information related to established transactions and prices; Settlement of transactions concluded with securities on the stock exchange and storage and accounting of securities in an immaterial form. In the separate financial statements, the company does not account for investments in associates using the equity method, as they are accounted for in the consolidated statements of the parent company.

Financial information of associates as of December 31, 2023 can be presented as follows:

	Georgian stock exchange JSC	**Tbilisi Stock Exchange JSC**
Assets	403,255	2,158,916
liabilities	15,333	44,920
Company's share of net assets	**387,922**	**2,113,996**
Income	386,679	14,146
Expenses	326,126	(393,488)
Profit/(Loss)	**60,553**	**379,342**

Financial information of associates as of December 31, 2022 can be presented as follows::

	Georgian stock exchange JSC	**Tbilisi Stock Exchange JSC**
Assets	359,231	2,518,763
liabilities	(31,862)	(25,425)
Company's share of net assets	**327,369**	**2,493,338**
Income	318,385	7,263
Expenses	(355,501)	(296,512)
Profit/(Loss)	**(37,116)**	**(289,249)**

17. LOANS ISSUED

Loans issued can be represented as follows:

	December 31 2023	**December 31, 2022**	**January 1 2022**
Long-term loan	-	-	3,548,526
Short-term loan	3,644,377	3,362,987	-
Credit loss allowance charge in profit or loss	(2,221,749)	(1,714,827)	(1,659,058)
Total Loans issued	**1,422,628**	**1,648,160**	**1,889,468**

Provisions of Impairemnt	
January 1 2023	**1,714,827**
Accrual of the year Accrual of the year	506,922
December 31 2023	**2,221,749**

Provisions of Impairemnt	
Provisions of Impairemnt as of January 1 2022	**1,659,058**
Accrual of the year	319,578
Foreign exchange loss effect	(263,809)
December 31 2022	**1,714,827**

On June 20, 2019, the Company signed mezzanine loan agreement with other entity and according to the agreement issued first tranche of USD 150,000.

Additionally, according to the agreement signed in 2020 year, the company issued 700,000 USD. Annual interest rate of the loan is 18% and accrued interest should be fully paid at the end of year 5 starting from the date of the first tranche.

The main operating activity of the borrower is to breed rabbits and sell them as meat products. In December 2021, JSC Galt & Taggart, in the face of decrease of the borrower's financial performance and increased mortality of rabbits, decided to impair the loan at the market value of collateral, based on Cushman & Wakefield's assessment.

In 2022 no signs of the impairment of the collateral value were identified by the Management expert.

18. PREPAYMENTS

	31 December 2023			31 December 2022			1 January 2022		
	Long-term	**Short-term**	**Total**	**Long-term**	**Short-term**	**Total**	**Long-term**	**Short-term**	**Total**
Prepaid share bonus	191,656	562,639	**754,295**	186,943	670,668	857,611	363,224	659,125	1,022,349
Prepaid salaries	-	9,000	**9,000**	-	7,818	7,818	-	3,500	3,500
Other prepayments	-	34,167	**34,167**	-	54,371	54,371	-	38,852	38,852
Total prepayments	**191,656**	**605,806**	**797,462**	**186,943**	**732,857**	**919,800**	**363,224**	**701,477**	**1,064,701**

Prepayments mainly consist of BOGG (continuation of BGEO) shares, which are transferred to employees, according to the terms. At the moment of granting the bonus, the company recognizes the obligation to the employee and records it as a prepaid bonus, recognized as an expense proportionally, over a specified period.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit/loss can be presented as follows:

	31 December 2023	31 December 2022	1 January 2022
Interest-bearing debt Instruments	2,100,478	1,687,380	1,728,440
Other current financial assets at fair value throught profit or loss	125,702	68,451	118,034
Total financial assets at fair value through profit or loss	**2,226,180**	**1,755,831**	**1,846,474**

The balance of interest-bearing debt instruments includes the receivable coupon accrued on these instruments.

20. ACCOUNTS RECEIVABLE

Accounts receivables can be represented as follows:

	31 December 2023	31 December 2022	1 January 2022
Receivables from brokerage services	1,332,690	664,503	834,690
Receivables from investment banking and advisory services	106,207	312,391	148,473
Other receivables	35,402	28,357	28,976
Less credit loss allowance	(164,781)	(45,896)	(117,442)
Total Accounts Receivable	**1,309,518**	**959,355**	**894,697**

The credit loss allowance movement is presented below

Impairment reserve as at - 1 January 2022	**117,442**
Accrued throughout the year	-
Recovery	(71,546)
Impairment reserve as at 31 December 2022	**45,896**
Accrued throughout the year	119,735
Write off	48,455
Reduction of reserve	(49,305)
Impairment reserve as at 31 December 2023	**164,781**

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in the bank in various currencies:

	31 December 2023	31 December 2022	1 January 2022
US Dollar ("USD")	3,713,431	1,251,207	2,253,716
Georgian Lari ("GEL")	372,574	1,093,001	826,114
Great Britain Pound Sterling ("GBP")	36,909	225,690	116,279
EURO ("EUR")	422,918	419,062	29,133
Swiss Franc ("CHF")	1,961	1,107	27,697
Other currency	95,017	30,054	43,567
Total Cash and Cash Equivalents	**4,642,810**	**3,020,121**	**3,296,506**

22. CLIENT'S CASH AND CASH EQUIVALENTS

As stated in explanatory note 5, the company changed its accounting policy in the reporting period of 2023 and transferred the nominally held customer money and cash equivalents to the off-balance account. However, for the information of the users of the financial statements, the explanatory note still presents the total amount, which as of December 31, 2023,128,146,238 GEL (2022: 75,890,697GEL; 2021: 154,750,068 GEL).

23. SHARE CAPITAL

As of 31 Decmeber 2023 BG Financial, holds 100% of the ordinary shares of the Company - 1,461,987 shares (as of 31 Decmeber 3,820,292 shares).

In 2023 the Company bought back 2,358,305 ordinary shares with GEL 18,000,000 GEL. Therefore, Additional paid-in capital decreased by 15,641,695 GEL.

In 2022, the Company bought back 545,514 ordinary shares with GEL 1,500,000. Therefore, Additional paid-in capital decreased by GEL 945,585.After the shares buyback the issued number of the Company's outstanding share as of 31 December 2023 is 1,461,987 shares (2022-3,820,292 shares)

Nominal value of each ordinary share is one (1) GEL	**December 31 2023**	**December 31, 2022**	**January 1 2022**
Authorised share capital	20,000,000	20,000,000	20,000,000
Outstanding shares	(18,538,013)	(16,179,708)	(15,634,293)
Issued and fully paid share capital	**1,461,987**	**3,820,292**	**4,365,707**

Additional paid-in capital consists of the shareholders capital contributions in excess of nominal value of the shares, which was as of December 31 2023 2,761,786 GEL (2022: 18,403,481 GEL).

24. LEASE LIABILITY

Lease liability is presented as follows:

	31 December 2023	31 December 2022	1 January 2022
ST lease liability	324,968	318,733	355,852
LT lease liability	496,841	825,660	1,311,944
Total lease liability	**821,809**	**1,144,393**	**1,667,796**

Lease liability reconciliation:

Lease liability at 01/01/2022	**1,667,796**
Addition	-
Acrued interest	34,438
Foreign exchange effect	(184,029)
Payment of interest	(34,438)
Payment of principal	(339,374)
Lease liability at 12/31/2022	**1,144,393**
Addition	-
Acrued interest	23,517
Foreign exchange effect	(11,826)
Payment of interest	(23,517)
Payment of principal	(310,758)
Lease liability at 12/31/2023	**821,809**

	Less Than 1 Year	**1-5 Year**	**Total**
Lease liability at 12/31/2023	**324,968**	**496,841**	**821,809**
Lease liability at 12/31/2022	**318,734**	**825,659**	**1,144,393**
Lease liability at 01/01/2022	**355,852**	**1,311,944**	**1,667,796**

25. ACCOUNTS PAYABLE

Account payable is presented as follows:

	31 December 2023	31 December 2022	1 January 2022
Bonus payable	1,882,041	1,359,375	1,294,104
Amounts due to counterparties	768,613	481,941	281,843
Other payables	199,836	224,926	163,933
Total accounts payable	**2,850,490**	**2,066,242**	**1,739,880**

26. RELATED PARTY TRANSACTIONS

Related parties or transactions with related parties as presented in IAS 24 "Related Party Disclosures" are:

a) parties that directly or indirectly through one or more intermediaries: control, are controlled or are under joint control with the company (including the founding company and branches); own a share in the company, which is the reason for significant influence; and have overall control over the company;

b) the main management personnel of the company or its parent enterprise;

c) family members of those listed in point (a) or (b);

d) Parties that represent enterprises controlled or jointly controlled by the persons listed in point (c) or (b), or these persons have significant influence over them, or the right to vote in such an enterprise

It is directly or indirectly in the hands of these persons.

Related party Transactions and balances is presented below:

		2023	2022
	Type of relationship	**Related Party Transactions**	**Related Party Transactions**
Net brokerage fee and commission income/(Expense)			
	Other related parties	(786,359)	(569,037)
Administrative expenses			
	Other related parties	(378,809)	(438,999)
Interest income/(expense), net			
	Other related parties	1,065,055	676,822

		31 December 2023	31 December 2022
	Type of relationship	**Related Party balances**	**Related Party balances**
cash and cash equivalents			
	Other related parties	3,953,456	808,357
Accounts receivable			
	Other related parties	33,649	9,342
Accounts payable			
	Other related parties	(248,752)	(203,941)

The following table illustrates key management compensation during the period:

	2023	**2022**
Key management compensation	1,241,099	745,719

27. CONTINGENT ASSETS AND LIABILITIES

The company does not have any significant contingent assets and liabilities.

28. FINANCIAL RISK MANAGEMENT

In performing its operating, investing and financing activities, the Company is exposed to the following financial risks:

Credit risk: the possibility that a debtor will no repay all or a portion of a loan or will not repay in a timely manner and therefore will cause a loss to the Company.

Liquidity risk: the risk that the Company may not have, or may not be able to raise, cash funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.

Market risk: the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically, the Company is exposed to three market risk components:

28. FINANCIAL RISK MANAGEMENT (Continued)

- Interest rate risk
- Currency risk
- Equity price risk

The Company's management in cooperation with the Company's operating units carries out risk management. Due to the relative simplicity of the Company's operations, there are no written policies on overall risk management.

The following table summarizes the carrying amount of financial assets and financial laiblities recorded by category:

	December 31, 2023	December 31, 2022	January 1 2022
Financial Assets			
Cash and Cash Equivalents	4,642,810	3,020,121	3,296,506
Financial Assets at Fair Value through profit or loss	2,226,180	1,755,831	1,846,474
Loans issued	1,422,628	1,648,160	1,889,468
Accounts Receivable	1,309,518	959,355	894,697
Total Financial Assets	**9,601,136**	**7,383,467**	**7,927,145**
Financial Liabilities			
Accounts Payable	2,850,490	2,066,242	1,739,880
Total Financial Liabilities	**2,850,490**	**2,066,242**	**1,739,880**

The following table provides an analysis of assets that are measured subsequent to initial recognition at fair value, companyed into Levels 1 to 3 based on the degree to which the fair value is observable:

	As of December 31, 2023		
	Level 1	Level 2	Level 3
Fair Value of Assets			
Cash and Cash Equivalents	4,642,810	-	-
Financial Assets at Fair Value through profit or loss	2,226,180	-	-
Loans issued	-	-	1,422,628
Accounts Receivable	-	-	1,309,518
Investment properties	-	-	
Total as of December 31, 2023	**6,868,990**	**-**	**2,732,146**

	As of December 31, 2022		
	Level 1	Level 2	Level 3
Fair Value of Assets			
Cash and Cash Equivalents	3,020,121	-	-
Financial Assets at Fair Value through profit or loss	1,755,831	-	-
Loans issued	-	-	1,648,160
Accounts Receivable	-	-	959,355
Investment properties	-	-	1,521,777
Total as of December 31, 2022	**4,775,952**	**-**	**4,129,292**

As of January 1, 2022

	Level 1	Level 2	Level 3
Fair Value of Assets			
Cash and Cash Equivalents	3,296,506	-	-
Financial Assets at Fair Value through profit or loss	1,846,474	-	-
Loans issued	-	-	1,889,468
Accounts Receivable	-	-	894,697
Investment properties	-	-	1,505,000
Total as of January 1, 2022	**5,142,980**	**-**	**4,289,165**

Credit Risk

The company's maximum credit risk is shown in following table:

	Note	December 31 2023	December 31 2022	January 1 2022
Financial Assets				
Client's Cash and Cash Equivalents	21	4,642,810	3,020,121	3,296,506
Loans issued	17	1,422,628	1,648,160	1,889,468
Accounts Receivable	20	1,309,518	959,355	894,697
Total exposure to credit risk		**7,374,956**	**5,627,636**	**6,080,671**

Cash and cash equivalents balances represent bank balances and short-term deposits witha less than three months maturity. The Company does not hold collateral for any of its receivables. All the receivables and prepayments that are past due at reporting date are impaired as appropriateCash and cash equivalents balances represent bank balances and short-term deposits witha less than three months maturity. The Company does not hold collateral for any of its receivables. All the receivables and prepayments that are past due at reporting date are impaired as appropriate.

Liquidity Risk - Financial liabilities maturity analysis

The Company manages liquidity risk on the basis of expected maturity dates. The following table provides an analysis of the remaining contractual maturities of the Company's financial assets and liabilities as of December 31, 2023; December 31, 2022 and January 1, 2022

31 December 2023	**Less than 1 year**	**1 – 5 years**	**Over 5 years**	**Total**
Cash and Cash Equivalents	4,642,810	-	-	4,642,810
Financial Assets as at Fair Value through profit or loss	2,226,180	-	-	2,226,180
Loans issued	1,422,628	-	-	1,422,628
Accounts Receivable	1,309,518	-	-	1,309,518
TOTAL FINANCIAL ASSETS	**9,601,136**	**-**	**-**	**9,601,136**
Accounts Payable	2,850,490	-	-	2,850,490
Lease Liability (without discount)	341,333	506,311	-	847,644
TOTAL FINANCIAL LIABILITIES	**3,191,823**	(506,311)	**-**	**3,698,134**
Liquidity Risk	**6,409,313**	**5,903,002**	**5,903,002**	**5,903,002**

31 December 2022	Less than 1 year	1 – 5 years	Over 5 years	Total
Cash and Cash Equivalents	3,020,121	-	-	3,020,121
Financial Assets as at Fair Value through profit or loss	1,755,831	-	-	1,755,831
Loans issued	1,648,160	-	-	1,648,160
Accounts Receivable	959,355	-	-	959,355
TOTAL FINANCIAL ASSETS	**7,383,467**	**-**	**-**	**7,383,467**
Lease Liability	318,732	825,660	-	1,144,392
Accounts Payable	2,066,242	-	-	2,066,242
TOTAL FINANCIAL LIABILITIES	**2,384,974**	**(825,660)**	**-**	**3,210,634**
Liquidity Risk	**4,998,493**	**4,172,833**	**4,172,833**	**4,172,832**

January 1, 2022	Less than 1 year	1 – 5 years	Over 5 years	Total
Cash and Cash Equivalents	3,296,506	-	-	3,296,506
Financial Assets as at Fair Value through profit or loss	1,846,474	-	-	1,846,474
Loans issued	-	1,889,468	-	1,889,468
Accounts Receivable	894,697	-	-	894,697
TOTAL FINANCIAL ASSETS	**6,037,677**	**1,889,468**	**-**	**7,927,145**
Lease Liability	355,852	1,311,944	-	1,667,796
Accounts Payable	1,739,880	-	-	1,739,880
TOTAL FINANCIAL LIABILITIES	**2,095,732**	**1,311,944**	**-**	**3,407,676**
Liquidity Risk	**3,941,945**	**4,519,469**	**4,519,469**	**4,519,469**

Interest rate risk

The Company's exposure to interest rate risk only concerns financial assets which are fixed rate. The impact of a change in interest rates on fixed interest rate financial assets on their fair vaule was assessed to be insignificant. **Foreign currency risk**Foreign currency denominated assets (bank balances, deposits, securities and receivables) and liabilities (payables) give rise to foreign exchange exposure. The Company does not have any formal procedures on managing currecny risk, however, management considers themselves to be well informed on the tendencies in the economy and has undertaken several steps to minimize its currency risks. These steps mainly include placing currency deposits and holding financial insturemnts. Financial Assets by Currency

Financial assets as at 31 December 2023 and 31 December 2022 are analysed by currency as follows

Financial Assets as of December 31, 2023	**GEL**	**US Dollars**	**Euros**	**GB Pounds**	**Swiss Franc**	**Other**	**Total**
Client’s Cash and cash equivalents	372,574	3,713,431	422,918	36,909	1,961	95,017	4,642,810
Accounts Receivable							
Loans Issued	-	1,422,628	-	-	-	-	1,422,628
Financial Assets at Fair Value through profit or loss	2,226,180	-	-	-	-	-	2,226,180
Total Financial Assets as of December 31, 2023	**2,598,754**	**5,136,059**	**422,918**	**36,909**	**1,961**	**95,017**	**8,291,618**
Financial Liabilities	2,077,946	348,839	395,715	27,199	791	-	2,850,490
Total Financial Liabilities	**2,077,946**	**348,839**	**395,715**	**27,199**	**792**	**-**	**2,850,490**

Financial Assets as of December 31, 2022	**GEL**	**US Dollars**	**Euros**	**GB Pounds**	**Swiss Franc**	**Other**	**Total**
Client’s Cash and cash equivalents	1,093,001	1,251,207	419,062	225,690	1,107	30,054	**3,020,121**
Accounts Receivable	464,565	130,959	-	67,737	-	296,093	959,354
Loans Issued	-	1,648,160	-	-	-	-	1,648,160
Financial Assets at Fair Value through profit or loss	1,704,263	41,636	1,135	8,495	-	303	1,755,831
Total Financial Assets as of December 31, 2022	**3,261,829**	**3,071,962**	**420,197**	**301,922**	**1,107**	**326,450**	**7,383,466**
Financial Liabilities	1,711,938	331,582	-	22,723	-	-	2,066,242
Total Financial Liabilities	**1,711,938**	**331,582**	**-**	**22,722**	**-**	**-**	**2,066,242**

	Impact on profit and loss	
	2023	**2022**
Strengthening of the US dollar by 20%	957,444	548,076
20% devaluation of the US dollar	(957,444)	(548,076)
Strengthening of the EURO by 20%	5,440	84,039
20% devaluation of the EURO	(5,440)	(84,039)
Strengthening of the CHF by 20%	233	221
20% devaluation of the CHF	(233)	(221)
Strengthening of the GB Pound by 20%	1,942	(55,840)
20% devaluation of the GB Pound	(1942)	(55,840)
Strengthening of other currencies by 20%	19,003	65,290
20% devaluation of other currencies	(19,003)	(65,290)

29. EVENTS AFTER THE REPORTING PERIOD

These financial statements were authorized for issue by the management on 26 March 2024.

In January 2024, the company announced and issued a 1,000,000 GEL dividend.

There have been no other subsequent events that need to be disclosed in the financial statements.