JSC GEORGIAN CENTRAL SECURITIES DEPOSITARY

Financial Statements

For the year ended December 31, 2023

And

Independent Auditors' report

JSC GEORGIAN CENTRAL SECURITIES DEPOSITARY
Financial Statements
For the year ended December 31, 2023
All amounts are expressed in Georgian Lari (GEL)

Content

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Statement of Management's Responsibility

Management of JSC Georgian Central Securities Depositary is responsible for the accompanying financial statements.

This responsibility includes:

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

Management is also responsible for:

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

The financial statements for the year ended December 31, 2023 have been approved by the management and signed on its behalf:

Valerian Davitaia	Nino Kurdiani
Acting General director	Financial director

JSC Georgian Central Securities Depositary

Date: April 01, 2024

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INDEPENDENT AUDITORS' REPORT
JSC Georgian Central Securities Depositary

Qualified opinion

We have audited financial statements of JSC Georgian Central Securities Depositary (the "Company"), which comprise statement of financial position as of 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, except for the matters described in the "Basis for qualified opinion" section, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and its financial performance and its cash flows for the year then ended and are in accordance with International Financial Reporting Standards (IFRS).

Basis for qualified opinion

In 2003 intangible assets and property, plant and equipment were contributed into the Subsidiary's equity by Non-controlling interest (NCI). The assets were recognized at estimated value, which comprised GEL 85,000. We were unable to obtain reasonable assurance in order to confirm the equity increase by the mentioned amount, therefore our opinion on the consolidated financial statements as of December 31, 2023 is modified due to the possible effect of this matter on current year and corresponding figures.

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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Georgia; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financials statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

INDEPENDENT AUDITORS' REPORT *(Continued)*

Auditors' responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated 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, misrepresentation, 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, if any, related disclosures made by the 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

Mikheil Abaiadze / Certified Auditor / Partner

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

Date: April 01, 2024
Tbilisi, Georgia

შპს მურ ებიბისი * Moore Abc LLC * 206331691 *

Statement of Financial Position

	Note	31-Dec-23	31-Dec-22
Cash and cash equivalents	4	274,258	364,133
Trade and other receivables	5	72,447	59,636
Tax asset		3,987	9,953
Total current assets		**350,692**	**433,722**
Property, plant and equipment	6	1,912	1,783
Intangible assets	7	903,145	980,929
Total non-current assets		**905,057**	**982,712**
Total assets		**1,255,749**	**1,416,434**
Trade and other payables	8	110,643	2,169
Total current liabilities		**110,643**	**2,169**
Total liabilities		**110,643**	**2,169**
Share capital	9	598,910	598,910
Share premium	9	1,316,293	1,316,293
Retained earnings		(770,097)	(500,938)
Total equity		**1,145,106**	**1,414,265**
Total liabilities and equity		**1,255,749**	**1,416,434**

Valerian Davitaia

Acting General director

Nino Kurdiani

Financial directc

JSC Georgian Central Securities Depositary

Date: April 01, 2024

Statement of Comprehensive Income

	Note	2023	2022
Commission and subscription income	10	812,408	612,747
Other operating income	10	14,028	15,071
Total incomes		**826,436**	**627,818**
Employees salary and benefits	11	(430,750)	(401,777)
Depreciation and amortization	6,7	(79,225)	(79,030)
Rent and utility expenses	12	(42,173)	(20,847)
Consultation expenses		(7,100)	(8,600)
Debt securities storage costs		-	(229)
Net exchange gain / (loss)	13	(2,540)	(14,832)
financial asset impairment charge GAIN/LOSS		3,525	(4,267)
Other operating expenses	14	(241,674)	(90,070)
Financial income		3,347	3,184
Other Non-operating income			-
Net profit / (loss) for the year		**29,846**	**11,350**
Comprehensive income / (loss) for the year		**29,846**	**11,350**
Earnings / (loss) per share			
basic and diluted	15	**0.05**	**0.02**

Valerian Davitaia

Acting General director

JSC Georgian Central Securities Depositary

Date: April 01, 2024

Nino Kurdiani

Financial director

Statement of Cash Flows

	Note	2023	2022
Cash received from customers		818,734	615,425
Cash received from employees		226	100
Cash outflow to suppliers and salary payments		(609,663)	(524,158)
Interest received		3,624	2,908
Cash flows from operating activities		**212,921**	**94,275**
Paid Dividend		(299,005)	**-**
Cash flows from financial activities		**(299,005)**	**-**
Net increase / (decrease) for the year		**(86,084)**	**94,275**
Cash and cash equivalents at the beginning of the year		364,133	284,898
Effect of exchange rate changes on cash and cash equivalents		(3,791)	(15,040)
Cash and cash equivalents at the end of the year	**4**	**274,258**	**364,133**

Valerian Davitaia

Acting General director

Nino Kurdiani

Financial director

JSC Georgian Central Securities Depositary

Date: April 01, 2024

Statement of Changes in Equity

	Share capital	Share premium	Retained earnings	Total equity
As of December 31, 2021	**598,910**	**1,316,293**	**(512,288)**	**1,402,915**
Net profit / (loss) for the year	-	-	11,350	**11,350**
As of December 31, 2022	**598,910**	**1,316,293**	**(500,938)**	**1,414,265**
Net profit / (loss) for the year	-	-	29,846	**29,846**
Paid Dividend	-	-	(299,005)	**(299,005)**
As of December 31, 2023	**598,910**	**1,316,293**	**(770,097)**	**1,145,106**

Valerian Davitaia
Acting General director

Nino Kurdiani
Financial director

JSC Georgian Central Securities Depositary

Date: April 01, 2024

1 General information

JSC Georgian Central Securities Depositary" (the "Company") was founded on November 11, 1999, according to the legislation of Georgia. The legal address of the company is: Vazha-Pshavela Avenue, N7, Floor N7, Block 10, Tbilisi. In charge of general director of the company is Valerian Davitaia.

The main activities of the Company is to settle the engagements with securities at stock exchange, as well as hold and account securities in non-material form.

The founder of company is JSC Georgian Stock Exchange (the "Founder").

In December 2016, the company released 304,499 Shares, With a nominal value of 1 Gel per share, And the selling price was 3.623 Gel, because of this the share capital of the company increased by 304,499 Gel, and share premium increased by 798,701 Gel. The newly issued shares were fully purchased by the "Georgian Stock Exchange", with a total value of 1,103,200 Gel.

Due to 2019 The company released 193,211 shares,with a nominal value of 1 Gel per share, and the selling price was 3.623 Gel, because of this the share capital of the company increased by 193,211 Gel, share premium increased by 506,792 Gel. The newly issued shares were fully purchased by the "Tbilisi Stock Exchange", with a total value of 700,003 Gel.

As of December 31, 2023 and 2022, 16.7% of the company's shares are owned by the "Georgian Stock Exchange", 83.10% is owned by the "Tbilisi Stock Exchange", and 0.20% by other shareholders. On the other hand, the "JSC Georgian Stock Exchange" owns 27.42% of the shares of the " JSC Tbilisi Stock Exchange", and therefore indirectly owns 22.77% of the company's shares.

Major Shareolders

As of December 31, 2023 and 2022, company's Major Shareholders are:

	31-Dec-23	**31-Dec-22**
JSC Georgian Stock Exchange	16.70%	16.70%
JSC tbilisi Stock Exchange	83.10%	83.10%
Other	0.20%	0.20%
	100.00%	**100.00%**

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (“IFRS”), being standards and interpretations issued by the International Accounting Standards Board (“IASB”), in force at 31 December 2023.

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

The company presents the profit and loss items using the classification by nature of expenses. The Company believes that such approach provides more useful information to the users of the financial statements as it better reflects the way operations are run from a business point of view. The format of statement of financial position is based on a current / non-current distinction.

2.2 Specificity

As mentioned above, the Company provides a settlement service to its customers, which includes securities transactions on the customers' own and customers' nominal holding securities accounts. Assets acquired and liabilities incurred within the scope of this activity are not recognized in the company's financial statements, as the company assumes only operational risks from this activity. All credit and market risks are assumed by the customer. Revenue from deposit services is recognized when the service is rendered

2 Summary of significant accounting policies *(Continued)*

2.3 Measurement Basis

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between a market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified appraisers) using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorized into different levels of a hierarchy based on the degree to which the inputs for the measurement are observable and the significance of the inputs for the measurement of the fair value:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 New and revised international financial reporting standards

The Company has applied for the first time the following amendments:

Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

This amendment requires the Company to recognise deferred tax assets and liabilities gross in relation to their leases which were previously these were recognised net. There is no impact on the amounts disclosed on the balance sheet as the amounts continue to be offset in accordance with the requirements of IAS 12, however in note 8 the amounts have been presented gross. The Prior period disclosures have also been amended consistent with the transitional provisions in the amendment.

Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules

This amendment permits the Company to not recognise deferred tax assets and liabilities related to the Pillar Two tax reforms. Due to the uncertain nature of the tax reforms, the Company cannot quantify the impact that this has had on the amount of Deferred tax assets and liabilities not recognised on the balance sheet in the current period. No amounts were recognised in the prior period in relation to the Pillar Two Model Rules, to which this amendment would apply.

2.5 Standards Issued but not yet Effective

The following standards and amendments are not yet effective but may have an impact on the financial statements of the company in the future.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current & Amendments to IAS 1 – Non-current Liabilities with Covenants

2 Summary of significant accounting policies *(Continued)*

2.5 Standards Issued but not yet Effective *(Continued)*

These amendments together impact the classification of liabilities with covenants and any convertible notes that the Company issues with liability classified conversion features. It may impact the classification of some of the Company's debts and will require additional disclosure about the effect of the covenants on the company.

The company is still currently assessing the impact of these amendments. They are effective for the 2024 Financial Statements.

Amendments to IAS 7 & IFRS 7 Supplier Financing Arrangements

This amendment will have no impact on the amounts recognised in the financial statements but will require additional disclosures to be provided around the company's use of supplier financing arrangements.

This amendment will be effective for the 2024 Financial Statements.

There are no other new standards or amendments that are expected to have a material impact on the company.

2.6 Financial instruments

Initial recognition and measurement

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

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

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

Subsequent measurement of financial assets

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

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

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

All other financial assets are classified and measured at fair value through profit or loss unless the company makes an irrevocable election at initial recognition for investments in equity instruments to present subsequent profit or loss in the statement of other comprehensive income (which is not held for sale or not recognized as contingent consideration in the business combinations).

2 Summary of significant accounting policies *(Continued)*

2.6 Financial instruments *(Continued)*

Impairment of Financial Assets

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

If the credit risk has not significantly increased from the date of the initial recognition of a financial asset, the company calculates an expected credit loss allowance, which represents the expected loss on a financial asset resulting from an unfavourable circumstances. If the credit risk of the financial asset significantly increased or it is undoubtly impaired, then company calculates expected credit loss allowance which represents an expected loss for the lifetime of the financial asset. In the last case, the expected credit loss allowance is calculated a sum of reductions of cash flows from the financial asset during its lifetime discounted by effective interest rate.

For financial assets measured at fair value through other comprehensive income, any changes in the values are accounted in the statement of comprehensive income, in all other cases - in the statement of profit or loss.

In addition, for trade receivables that are not impaired individually, the company uses collective impairment assessment based on the company's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions and etc.

The table below represents the company's policy to calculate expected allowances for trade receivables:

Overdue Days	Less than 30 days	31 - 60 days	61 - 90 days	91 - 180 Days	More than 180 days
Percentage for allowance	2%	5%	25%	50%	100%

For financial assets measured at amortized cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortized cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

Derecognition of financial assets

Irrespective of the legal form of the transactions, financial assets are derecognised when they pass the “substance over form” based derecognition test prescribed by IFRS 9. That test comprises two different types of evaluations which are applied strictly in sequence:

- Evaluation of the transfer of risks and rewards of ownership
- Evaluation of the transfer of control

Subsequent measurement of financial liabilities

Subsequent measurement of financial liabilities depends on how they are categorised on initial recognition. The company classifies financial liabilities in one of the following two categories:

2 Summary of significant accounting policies *(Continued)*

2.6 Financial instruments *(Continued)*

Subsequent measurement of financial liabilities *(Continued)*

Liabilities at fair value through profit or loss (FVTPL) - liabilities are classified in this category when they are held principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivatives which are designated for effective hedging) or meet the conditions to be included in this category. All changes in the fair value of liabilities accounted at fair value through profit or loss are included in the statement of profit or loss as they arise.

Other financial liabilities - all liabilities which have not been included in the previous category fall into this one. Such liabilities are carried at amortized cost using the effective interest method.

Derecognition of Financial Liabilities

A financial liability is removed from the Company's statement of financial position only when the liability is settled, cancelled or expired (i.e. extinguished). The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise bank accounts' balances and short-term investments (Up to 90 Days) which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.8 Property and Equipment

PPE are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one period.

On initial recognition, items of property and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, items of property and equipment are carried at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

Office equipment	20% straight line
Leasehold improvements	20% straight line

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or write-off of an item of property and equipment is calculated as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.9 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recognized in the financial statement if, and only if (a) it is probable that the expected future economic benefits that are attributable to an asset will flow to the entity; and (b) the cost of the asset can be measured reliably.

2 Summary of significant accounting policies *(Continued)*

2.9 Intangible assets *(Continued)*

Recognition

On initial recognition, acquired intangible assets are measured at cost. The cost of acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. The estimated useful life and amortisation method are revised at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Amortization

For intangible assets with finite useful lives, amortisation is calculated so as to write off the cost of an asset less its estimated residual value over its useful economic life using straight line method of amortization as follows:

Software	15 years
Other intangible assets	5-10 years

Amortization of an intangible asset starts when it is ready for use.

The amortization of a software acquired from MONTRAN CORPORATION by JSC Georgian Central Securities Depository (clearing-settlement system) began when the development of the software had finished and it was ready to use it.

Intangible assets with an indefinite useful life are not amortised, but are subject to review for impairment.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset - measured as the difference between the net disposal proceeds and the carrying amount of the asset - are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

The carrying amounts of property and equipment and intangible assets with finite useful lives are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down to its recoverable amount through the statement of profit or loss. Recoverable amount is the higher of value in use and the fair value less costs of disposal. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. If this is a case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of an asset / cash-generating unit. Present values are computed using discount rates that reflect the time value of money and the risks specific to the asset / cash-generating unit the impairment of which is measured. Intangible assets with indefinite useful life, irrespective of whether there is any indication of impairment, are tested for impairment annually (or more frequently if events or changes in circumstances indicate that they might be impaired).

2.10 Translation of Operations in Foreign Currencies

The functional currency of the Company is Georgian Lari (“GEL”). Monetary assets and liabilities in foreign currencies are translated in functional currency of the Company using the official exchange rates of the National Bank of Georgia at the reporting date, exchange differences arising after a date of a transaction are recognised in the consolidated statement of profit or loss.

Non-monetary assets and liabilities that are presented using historical cost are translated into functional currency using exchange rate prevailing on a date of the transaction.

2 Summary of significant accounting policies *(Continued)*

2.10 Translation of Operations in Foreign Currencies *(Continued)*

	USD	EUR
Exchange rate as at December 31, 2023	2.6894	2.9753
Exchange rate as at December 31, 2022	2.7020	2.8844
Average exchange rate for the year ended on December 31, 2023	2.6279	2.8416
Average exchange rate for the year ended on December 31, 2022	2.9156	3.0792

2.11 Profit tax

The company measures profit tax according to the Georgian tax legislation. According to the legislation in force, only amount that is distributed to the owners is subject to taxation, while reinvested profit is exempted from profit tax (except for some cases presented in Article 98¹ of Tax Code of Georgia and 99th and 103rd parts of Article 309). The amount of profit tax liability is calculated as 15/85 part from the amount of distributed dividends.

2.12 Provisions and contingencies

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

2.13 Equity

Equity instruments are contracts that give a residual interest in the net assets of the company. Ordinary shares are classified as share capital. Equity instruments are recognized at the amount of proceeds received net of costs directly attributable to the transaction. To the extent those proceeds exceed the nominal value of the shares issued they are credited to a share premium account.

Dividends distribution

Dividends are recognised as liabilities when they are declared. Typically, dividends are recognised as liabilities in the period in which their distribution is approved at the Shareholders' Annual General Meeting. Interim dividends are recognised when paid.

2.14 Recognition of revenues and expenses

Recognition of revenues and expenses performs under accrual basis.

The company recognizes revenues from service rendered when it is possible to assess it reliably; it is possible that future economic benefits will flow to the entity; it is possible to define the completion stage of the transaction at the reporting date; and it is possible to define the costs associated with the settlement of a transaction. The amount of revenue is recognized as the fair value of remuneration received or to be received from the selling of goods or rendering of services. For each contract the company takes the following steps: identifies the contract, identifies the performance obligations, determines the transaction price, which implies the assessment of variable remuneration amount and time value of money, allocates transaction price to performance obligations on a basis of comparative prices and recognizes the revenue attributable to a particular performance obligation only when a this performance obligation is fulfilled in a manner that implies transferring of all promised goods and/or services.

2 Summary of significant accounting policies *(Continued)*

2.14 Recognition of revenues and expenses (Continued)

Interest incomes and expenses are recorded for all debt instruments on an accrual basis using the effective interest rate method. This method implies that all fees paid or received between the parties to the contract are included in the calculations of effective interest rate together with transaction costs and all other premiums or discounts and are an integral part of interest incomes and expenses.

Fees integral to the effective interest rate include origination fees received or paid by the entity related to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

Leases

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

Company's leases are short-term. Short-term leases are leases with a lease term of 12 months or less. Payments related to short-term leases are recognized as an expense in the statements of profit or loss on a straight-line basis.

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

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

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

2.15 Overlap

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

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

3 Critical accounting estimates

In order to prepare consolidated financial statements that are in line with IFRS, management is required to use some accounting estimates and judgements, which influence the amounts recognized in the financial statements. Accounting estimates arise from the past experience and by taking into other factors, for example, management's expectations regarding future events if such expectations seem to be reasonable from the current circumstances. Judgments which affect amount presented in the financial statements and estimates, which in the next reporting period may cause significant adjustments to the carrying values of assets and liabilities include:

3 Critical accounting estimates

a) Useful lives of property and equipment

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

b) Useful lives of intangible assets

The estimation of the useful life of intangible asset is a matter of management's estimate based upon experience with similar assets. In determining the useful life of an item of intangible assets, management considers the expected usage, international practice and rapidly changing market requirements. Changes in any of these conditions or estimates may result in adjustments for future amortization rates.

c) Provisions and contingent liabilities

Provisions are recognized for future liabilities when the Fees company has a legal or constructive obligation based on past events and it is probable that the company will be required to meet those obligations. Provisions that do not meet the criteria for recognition as a liability are included in the notes to the financial statements as contingent liabilities, as their existence is confirmed only in the event of any uncertain future events that are not entirely within the company's control.

d) Taxation

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

4 Cash and cash equivalents	31-Dec-23	31-Dec-22
Cash in bank	204,880	298,376
Short-term deposits	69,378	65,757
Total cash and cash equivalents	**274,258**	**364,133**

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

Interest accrued on deposits during 2023 amounted to 3,347 lari (2022: 3,184 lari).

Cash and cash equivalents by currencies are disclosed in Note 17.4 and interest rates by currencies - in Note 17.3.

At the end of the reporting period there was difference between the carrying amount and fair value of cash and cash equivalents.

5 Trade and other receivables	31-Dec-23	31-Dec-22
Trade receivables	74,894	65,608
Allowance for doubtful accounts	(2,447)	(5,972)
Total trade and other receivables	**72,447**	**59,636**

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

6 Property and equipment

	Office equipment	Leasehold improvements	Total
Historical cost			
As of December 31, 2021	**35,940**	**9,625**	**45,565**
As of December 31, 2022	**35,940**	**9,625**	**45,565**
As of December 31, 2023	**37,510**	**9,625**	**47,135**
Accumulated depreciation			
As of December 31, 2021	**(34,436)**	**(8,101)**	**(42,537)**
Depreciation for the year	(1,245)	-	**(1,245)**
As of December 31, 2022	**(35,681)**	**(8,101)**	**(43,782)**
Depreciation for the year	(1,441)	-	**(1,441)**
As of December 31, 2023	**(37,122)**	**(8,101)**	**(45,223)**
Carrying value			
As of December 31, 2021	**1,504**	**1,524**	**3,028**
As of December 31, 2022	**259**	**1,524**	**1,783**
As of December 31, 2023	**388**	**1,524**	**1,912**

At the end of 2023, the company has fully depreciated assets, the total historical value of which is 42,990 Gel. (2022: 41,082 lari). Despite this, the company uses the above-mentioned basic tools in its operational activities.

7 Intangible assets

	Software	Other intangible assets	Total
Historical cost			
As of December 31, 2022	**1,157,241**	**27,176**	**1,184,417**
As of December 31, 2023	**1,157,241**	**27,176**	**1,184,417**
Accumulated depreciation and accumulated impairment			
As of December 31, 2022	**(180,650)**	**(22,838)**	**(203,488)**
Amortization for the year	(77,149)	(635)	**(77,784)**
As of December 31, 2023	**(257,799)**	**(23,473)**	**(281,272)**
Carrying value			
As of December 31, 2022	**976,591**	**4,338**	**980,929**
As of December 31, 2023	**899,442**	**3,703**	**903,145**

In November of 2018 MONTRAN CORPORATION transferred to JSC Georgian Central Securities Depository the goods specified in the agreement as a result of which the criteria for classification as an intangible asset were met and intangible asset was recognized. In September, 2020 the last stage of the asset development was finished.

During 2023, the Company fully repaid its long-term liability for the acquisition of intangible assets, which as of December 31, 2023, 20,826 Gel (2022: 20,826 Gel).

8 Trade and other payables

As of December 31, 2023 Trade and other payables is 110,643 Georgia Lari, which is trade payables (As of December 31, 2022 2,169 Georgia Lari).

9 Equity

Share capital consists of 10,000,000 authorised ordinary shares with nominal value of GEL 1 out of which 598,910 shares are outstanding. During 2023 and 2022, the company did not released new shares.

The company's share premium as of December 31, 2023 and 2022 equals to GEL 1,316,293.

During the year no dividends were distributed to the shareholders.

Capital management

The company's objective when managing capital (which it defines as reported net assets in its IFRS consolidated financial statement) is to create a sufficient buffer for risk insurance and to ensure the company has ability to continue as a going concern so that it can continue to generate benefits for stakeholders and generate returns for shareholders.

To achieve above mentioned goals, the company assesses the risks associated with products and projects and their compliance with capital buffers; manages and controls the compliance of equity with risks and capital requirements by producing continuously updated financial statements.

National Bank of Georgia (NBG) sets capital adequacy requirements for stock exchanges and central depositors. In particular, As required by the NBG, minimum amount of capital for stock exchange and central depositor should be GEL 50,000. As of December 31, 2023, the capital of the Georgian Central Securities Depositary is 1,145,106 Gel (2022: 1,414,265 Gel),
Accordingly, the company meets the minimum own capital requirements. Management of NBG requirements is integrated into the overall capital management framework and is dynamically controlled by Company's management.

In addition, stock exchanges and central depositors are required by the National Bank of Georgia to keep cash, at all stages of licensing, on accounts opened in licensed banking institutions in Georgia in the amount of at least 100% of the minimum required capital. All cash of the company is on accounts opened in licensed banking institutions in Georgia. During the year balance of chash wasn't under munimum required capital (50,000 Goergia Lari) and the company meets the minimum own capital requirements.

10 Commission, membership and other operating income	2023	2022
Income from custodian service	749,008	567,956
Income from commissions	46,217	35,557
Custodians and brokers membership fees	19,200	12,136
Other operating income	12,011	12,169
Total commission, membership and other operating income	**826,436**	**627,818**

11 Employees salary and benefits	2023	2022
Salary expenses	392,193	366,906
Bonuses	30,561	27,183
Pension expenses	7,996	7,688
Total employees salary and benefits	**430,750**	**401,777**

12 Rent Expenses

In 2023 rent expenses was 42,173 Georgian lari (2022: 20,847 Georgian lari).

13 Net foreign exchange gain / (loss)

	Cash and cash equivalents	Trade payables and other liabilities	covertation	Total
Foreign currency gain	3,236	211	-	**3,447**
Foreign currency loss	(5,396)	(150)	(441)	**(5,987)**
Net foreign exchange gain / (loss) for the year 2023	**(2,160)**	**61**	**(441)**	**(2,540)**

	Cash and cash equivalents	Trade payables and other liabilities	covertation	Total
Foreign currency gain	8,996	327	-	**9,323**
Foreign currency loss	(23,948)	(121)	(86)	**(24,155)**
Net foreign exchange gain / (loss) for the year 2022	**(14,952)**	**206**	**(86)**	**(14,832)**

14 Other operating expenses

Other operating expenses	**2023**	**2022**
Software support expenses	215,942	69,304
Insurance expenses	9,041	7,670
Personnel training expenses	1,958	6,418
Utilities expenses	6,474	2,328
Business trip expenses	1,777	1,373
cleaning and maintenance expenses	2,495	1,039
Bank fees	648	444
communication expenses	292	166
Computer expenses	553	146
Other expenses	2,494	1,182
Total other operating expenses	**241,674**	**90,070**

15 Earnings/Loss per share

Ordinary income/loss per share is calculated by comparing the profit (loss) for the year and the weighted average number of ordinary shares during the year. The company owns only ordinary shares.

	31-Dec-23	**31-Dec-22**
Net income/loss belongs to shareholders	29,846	11,350
Profit / loss for the current year	29,846	11,350
Weighted average of the number of shares	598,910	598,909
Basic earnings per share	**0.05**	**0.02**

16 Commitments and contingencies

16.1 Taxation contingencies

The taxation system of Georgia is relatively new and characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to various interpretations. In the event of a breach of tax legislation, no liabilities for additional taxes, fines or penalties may be imposed by the tax authorities after three years have passed since the end of the year in which the breach occurred.

Above-mentioned circumstances may create tax risk in Georgia that are more significant than in other countries. Management believes that it adequately settles tax liabilities based on its interpretations of applicable Georgian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities would be successful in enforcing their interpretations, could be significant.

17 Information related to financial risks

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

- Credit risk: the possibility that a debtor will not 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 fluctuations in market prices will result in changes of financial instrument value or fair value of future cash flows. In general, the Company is exposed to two components of the market risk:

Management of the company manages risks by cooperation with operating units. Because of the simplicity of the company’s operations, there is not a pre-set policy for managing risks.

The following table summarises the carrying amount of financial assets and financial liabilities disclosed by categories:

	31-Dec-23	31-Dec-22
Financial assets		
Cash and cash equivalents	274,258	364,133
Trade and other receivables	72,447	59,636
Total financial assets	**346,705**	**423,769**
Financial liabilities		
Trade and other payables	110,643	2,169
Total financial liabilities	**110,643**	**2,169**

17.1 Credit risk

There is no significant concentration of credit risks

The company's maximum exposure to credit risk is presented below:

	31-Dec-23	31-Dec-22
Cash and cash equivalents on bank accounts	274,258	364,133
Trade and other receivables	72,447	59,636
Total financial assets	**346,705**	**423,769**

17 Information related to financial risks (Continued)

17.1 Credit risk (Continued)

Balance of cash and cash equivalents is composed by balances of bank accounts and short-term bank deposits. The company does not own any collateral for its trade receivables. The company manages its trade receivables according to the overdue days.

Expected credit loss measurement

The company uses a “three-stage” model for impairment based on changes in credit quality of the financial asset since its initial recognition and is summarized bellow:.

- A financial instrument that is not credit-impaired on initial recognition is classified in “stage I” and has its credit risk continuously monitored by the company;
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to “stage II” but is not yet deemed to be credit-impaired;
- If a financial instrument is credit-impaired, it is moved to “stage III”.
- Financial instrument on stage I have expected credit loss measured at an amount equal to the portion of lifetime expected credit loss that result from default events possible within next 12 months. Instruments on stages II and III have their expected credit loss measured based on expected credit losses on a lifetime basis.

The following diagram summarises the impairment approach of the company:

Stage I	Stage II	Stage III
(Initial recogniti	(Significant increase in credit risk since initial recognition)	(Credit-impaired asset)
Expected credit loss for the next 12 months	Lifetime expected credit losses	Lifetime expected credit losses

All financial assets in the company's financial statements, other than trade receivables, are classified in stage 1 as at beginning and end of 2023.

As for trade receivables the company uses the simplified approach that is based on overdue days. The Company has 5 overdue ranges. Expected credit loss percentage is based on company`s operating sector and previous experience. Table below represents overdue ranges and respective expected credit loss percentage:

Overdue days	< 30	31-60	61-90	91-180	> 180
Reservation percentage	2%	5%	25%	50%	100%

17.2 Liquidity risk

Company manages liquidity risk according to the expected maturity.

The liquidity risk on December 31, 2023 is presented as follows:

17 Information related to financial risks (Continued)

17.2 Liquidity risk (Continued)

	less than 1 year	1-5 years	More than 5 years	Total
Financial assets				
Cash and cash equivalents	274,258	-	-	**274,258**
Trade and other receivables	72,447	-	-	**72,447**
Total financial assets	**346,705**	**-**	**-**	**346,705**
Financial liabilities				
Trade and other payables	110,643	-	-	**110,643**
Total financial liabilities	**110,643**	**-**	**-**	**110,643**
Liquidity gap	**236,062**	**-**	**-**	**236,062**

The liquidity risk on December 31, 2022 is presented as follows:

	less than 1 year	1-5 years	More than 5 years	Total
Financial assets				
Cash and cash equivalents	364,133	-	-	**364,133**
Trade and other receivables	59,636	-	-	**59,636**
Total financial assets	**423,769**	**-**	**-**	**423,769**
Financial liabilities				
Trade and other payables	2,169	-	-	**2,169**
Total financial liabilities	**2,169**	**-**	**-**	**2,169**
Liquidity gap	**421,600**	**-**	**-**	**421,600**

The expected credit loss of held-to-maturity investments is based on changes in credit risk since its initial recognition.

17.3 Interest rate risk

The Company is exposure to interest rate risk only within the scope of financial assets with fixed rates. The effect of interest rate changes over financial assets with fixed interest rate was rated as insignificant.

Information related to interest rate risk is presented below:

	31-Dec-23		31-Dec-22	
Annual %	**GEL**	**USD**	**GEL**	**USD**
Cash and cash equivalents	3%	0.75%	3%	0.75%

17.4 Foreign exchange rate risk

Foreign currency risk arises from assets and liabilities denominated in foreign currencies. The company does not have formal procedures for managing foreign exchange risk, however, the management considers itself well informed about the current developments in the economy and they have taken some steps to reduce the currency risk. These steps mainly involve the placement of foreign currency deposits.

At the end of the reporting period the company had only the following balances in foreign currencies (denominated in GEL):

17 Information related to financial risks (Continued)

17.4 Foreign exchange rate risk (Continued)

As on December 31, 2023:

	Cash and cash equivalents	Total
USD	15,359	**15,359**
Total	**15,359**	**15,359**

As on December 31, 2022:

	Cash and cash equivalents	Total
USD	98,335	**98,335**
Total	**98,335**	**98,335**

A hypothetical 10% increase / decrease in the exchange rate of the GEL against the US Dollar would decrease / increase profits after tax by GEL 1,536 (2022: 9,833 Gel).

18 Related parties

A related party is a person or an entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

a) person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control of the reporting entity; or

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity, or any member of a Company of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The main shareholders of the company are : JSC Georgian Stock Exchange" and JSC "Tbilisi Stock Exchange".

18 Related parties *(Continued)*

Incomes:	**2023**	**2022**
Main shareholders	12,000	12,000
Other related parties	708,678	549,226
Expenses:	**2023**	**2022**
Other related parties	726	2,182
Key management personnel remuneration	**2023**	**2022**
Salaries and bonuses	207,569	196,302
Receivables:	**31-Dec-23**	**31-Dec-22**
Main shareholders	1,000	1,000
Other related parties	55,811	54,173
Bank accounts balances	**31-Dec-23**	**31-Dec-22**
JSC Bank of Georgia	5,668	40,095
JSC TBC Bank	195,618	255,688

19 Going concern consideration

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

20 Events after the reporting period

There have been no events after the reporting period to the date of its signing which require additional disclosures or adjustments to these consolidated financial statements

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