JSC GEORGIAN CENTRAL SECURITIES DEPOSITORY

Financial Statements

For the year ended December 31, 2021

And

Independent Auditors’ Report

CONTENTS

Statement of management responsibilities

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

This responsibility includes:

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

Management is also responsible for:

- creation, implementation and maintaining effective internal control system;
- keeping proper accounting records in compliance with local regulations;
- taking such steps 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, 2021 have been approved by the management and signed on its behalf:

Evgeni Peevski
General Director

Nino Kurdiani
Financial Director

JSC Georgian Central Securities Depository

Date: March 31, 2022

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INDEPENDENT AUDITORS' REPORT
JSC Georgian Central Securities Depository

Opinion

We have audited the financial statements of JSC Georgian Central Securities Depository (the "Company") which comprise the statement of financial position as of December 31, 2021 and the statement of comprehensive income, statement of cash flows and statement of changes in equtiy 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 of December 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Georgia; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financials tatements 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 skepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibility for the Audit of the Financial Statements (continued)

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from raud is higher than for one resuting from error, as fraud may involve collusion, forgery, intentional ommisiions, 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, 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, incuding the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

Mikheil Abaiadze / Certified Auditor / Partner

Audit Firm Registration Number: SARAS-F-320544
Auditor Registration Number: SARAS-A-865011

Date: March 31, 2022
Tbilisi, Georgia

Statement of financial position

	Notes	31-Dec-21	31-Dec-20
Cash and cash equivalents	4	284,898	349,025
Trade and other receivables	5	46,614	39,241
Tax assets	6	12,160	11,725
Total current assets		**343,672**	**399,991**
Property, plant and equipment	7	3,028	2,790
Intangible assets	8	1,058,714	1,136,498
Total non-current assets		**1,061,742**	**1,139,288**
Total assets		**1,405,414**	**1,539,279**
Trade and other liabilities		2,500	2,571
Total current liabilities		**2,500**	**2,571**
Total liabilities		**2,500**	**2,571**
Share capital	9	598,910	598,910
Share premium	9	1,316,293	1,316,293
Retained earnings		(512,289)	(378,495)
Total equity		**1,402,914**	**1,536,708**
Total equity and liabilities		**1,405,414**	**1,539,279**

Evgeni Peevski
General Director

Nino Kurdiani
Financial Director

JSC Georgian Central Securities Depository

Date: March 31, 2022

Statement of comprehensive income

	Notes	2021	2020
Commission and subscription income	10	450,961	439,014
Other operating income	10	15,718	16,052
Total income		**466,679**	**455,066**
Salary expenses	11	(400,573)	(368,280)
Depreciation and amortization expense		(79,047)	(27,490)
Rent expenses		(23,149)	(21,650)
Net foreign exchange gain / (loss)		(10,144)	42,807
Consulting fees	6; 7	(9,343)	(8,402)
Maintenance expense of securities		(897)	(9,326)
Other operating expenses	15	(86,732)	(48,527)
Finance income	13	3,030	3,391
Other non-operating income	14	6,382	12,976
Net profit / (loss) for the year		**(133,794)**	**30,565**
Other comprehensive income for the year		**(133,794)**	**30,565**
Earnings per share			
Basic and diluted	15	**(0.22)**	**0.05**

Evgeni Peevski
General Director

Nino Kurdiani
Financial Director

JSC Georgian Central Securities Depository

Date: March 31, 2022

Statement of cash flow

	Notes	2021	2020
Cash received from customers		461,111	427,787
Cash outflow to suppliers and salary payments		(518,171)	(456,128)
Interest received		3,030	3,391
Cash flows from operating activities		**(54,030)**	**(24,950)**
Acquisition of intangible assets		-	(367,449)
Cash flows from investing activities		**-**	**(367,449)**
Net increase / (decrease) for the year		**(54,030)**	**(392,399)**
Cash and cash equivalents at the beginning of the year		349,025	677,989
Effect of exchange rate changes on cash and cash equivalents held		(10,097)	63,435
Cash and cash equivalents at the end of the year	**4**	**284,898**	**349,025**

Evgeni Peevski
General Director

Nino Kurdiani
Financial Director

JSC Georgian Central Securities Depository

Date: March 31, 2022

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Total Equity
Balance as at 31-Dec-2019	**598,910**	**1,316,293**	**(409,060)**	**1,506,143**
Net profit / (loss) for the year	-	-	30,565	**30,565**
Balance as at 31-Dec-2020	**598,910**	**1,316,293**	**(378,495)**	**1,536,708**
Net profit / (loss) for the year	-	-	(133,794)	**(133,794)**
Balance as at 31-Dec-2021	**598,910**	**1,316,293**	**(512,289)**	**1,402,914**

Evgeni Peevski
General Director

Nino Kurdiani
Financial Director

JSC Georgian Central Securities Depository

Date: March 31, 2022

1 General information

JSC Georgian Central Securities Depository (hereinafter - “Company”), was established on 1 November 1999 according to the legislation of Georgia. The legal address of the Company is: 74a, Ilia Chavchavadze avenue, Tbilisi. General Director of the Company is Evgeni Peevski.

The Company’s main activity is holding member’s securities in nominee ownership, provision of clearing and settlement operations with these securities, and provision of other types of services permitted by Georgian legislation.

The founder of the Company is the JSC Georgian Stock Exchange (hereinafter – “Founder”).

In December of 2016 the Company issued 304,499 new shares with a par value of GEL 1 per share and a selling price of GEL 3.623 per share. As a result, the Company’s share capital and share premium have increased by GEL 304,499 and GEL 798,701, respectively. All shares were sold to JSC Tbilisi Stock Exchange, for a total of GEL 1,103,200.

During the year 2019 the Company issued additional 193,211 shares, with a nominal value of 1 GEL per share, and the selling price was 3.623 GEL, as a result of which the Company's share capital and share premium increased by 193,211 GEL and GEL 506,792, respectively. All shares were sold to JSC Tbilisi Stock Exchange for a total amount of GEL 700,003.

For the year ended December 31, 2021 and 2020 JSC Georgian Stock Exchange is 16.70% shareholder of the Company, JSC Tbilisi Stock Exchange - 83.10%, and other shareholders - 0.2%. JSC Georgian Stock Exchange owns 27.87% of shares in JSC Tbilisi Stock Exchange and, accordingly, indirectly owns 23.16% of the Company's shares.

Main Shareholders

For the years ended December 31, 2021 and 2020 main shareholders are:

	31-Dec-21	31-Dec-20
JSC Georgian Stock Exchange	16.70%	16.70%
JSC Tbilisi Stock Exchange	83.10%	83.10%
Others	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 2021.

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

The Company presents the comprehensive income items using the classification by nature of expenses. The Company believes this method provides more useful information to the readers of the financial statements as it better reflects the way operations are run from a business point of view. The statement of financial position format is based on a current / non-current distinction.

2 Summary of significant accounting policies (continued)

2.2 Depository activities

The Company provides depository services to its customers, which include transactions with securities on their depository accounts. Assets accepted and liabilities incurred under the depository activities are not included in the Company's Financial Statements. The Company accepts the operational risk on these activities, but Company's customers bear the credit and market risks associated with such operations. Revenue from provision of depository services is recognised at the time when services are provided.

2.3 Measurement bases

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

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. 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 using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g.. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- 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 standards and interpretations

A number of new standards and amendments have become effective for the annual periods commencing on or after January 1, 2021.

a) Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2;

b) Amendments to IFRS 16 - Covid-19-Related Rent Concessions.

a) Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2:

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

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

2 Summary of significant accounting policies (continued)

2.4 New and revised standards and interpretations (continued)

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

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

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

Amendments to IFRS 16 'Leases' provide a practical expedient that permits lessees to account for the rent concessions, that occur as a direct consequence of the COVID - 19 pandemic and meets specified conditions, as if they were not lease modifications.

The amendment is effective from 1 June 2021.

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

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

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

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

These amendments do not have effect on the Company's financial statements.

2.5 New and amended standards issued, but not yet effective

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

a) Amendments to IFRS 16 - Covid-19-Related Rent Concessions;
b) IFRS 17 - Insurance Contracts;
c) Amendments to IAS 1 - Classification of Liabilities as Current or Non-current;
d) Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use;
e) Amendments to IFRS 3 - Reference to the Conceptual Framework;
f) Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract;
g) Annual Improvements to IFRS Standards 2018–2021;
h) Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture;
i) Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies;
j) Amendments to IAS 8 - Disclosure of Accounting Policies and Definition of Accounting Estimates;
k) Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction.

2 Summary of significant accounting policies (continued)

2.5 New and amended standards in issue but not yet effective (continued)

Amendments to IFRS 16 'Leases' Covid-19 Related Rent Concessions beyond 30 June 2021: This amendment extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendments are applicable for annual periods commencing on or after 1 April 2021.

IFRS 17 'Insurance contracts' establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 is effective for annual periods commencing on or after 1 January 2023.

Amendments to IAS 1 'Presentation of financial statements' clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The meaning of settlement of a liability is also clarified. The amendments are applicable for annual periods commencing on or after 1 January 2023.

Amendments to IAS 16 'Property, plant and equipment' require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related costs in profit or loss, instead of deducting the amounts received from the cost of the asset. The amendments are applicable for annual periods commencing on or after 1 January 2022.

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

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

Annual Improvements to IFRS Standards 2018–2021 amend:

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

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

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

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

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

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

2 Summary of significant accounting policies (continued)

2.5 New and amended standards in issue but not yet effective (continued)

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

• IFRS 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
• IAS 1, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
• IAS 8, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
• IAS 34, to identify material accounting policy information as a component of a complete set of financial statements; and
• IFRS Practice Statement 2 Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

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

The Standard amends IFRS 1 to require deferred tax related to leases and decommissioning, restoration and similar obligations to be recognised by first-time adopters at the date of transition to International Accounting Standards, despite the exemption set out in IAS 12.

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

2.6 Financial instruments

Initial recognition and measurement

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

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

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

Subsequent measurement of financial assets

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

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

2 Summary of significant accounting policies (continued)

2.6 Financial instruments

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

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

Impairment of financial assets

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

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

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

In addition, for trade receivables that are assessed not to be impaired individually, the Company assesses them collectively for impairment, based on the Company's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

The schedule for assessing impairment allowance for trade receivables is presented bellow:

Days past due	Less than 30 days	31 – 60 days	61-90 days	91-180 days	More than 180 days
Percentage of 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.

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

2 Summary of significant accounting policies (continued)

2.6 Financial instruments (continued)

Subsequent measurement of financial liabilities

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

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 derivative that is a designated and effective hedging instrument) or meet the conditions for designation in this category. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as they arise.

Other financial liabilities - All liabilities which have not been classified in the previous category fall into this residual category. These 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 discharged, 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.

Cash and cash equivalents

Cash and cash equivalents include cash in banks and other current (up to 90 days) Liquid investments, are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.7 Property, plant and equipment

On initial recognition, items of property, plant 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, plant and equipment are carried at cost less any accumulated depreciation and impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives as follows:

Office equipment	20% straight-line method
Leasehold Improvement	20% straight-line method

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of property, plant 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 retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2 Summary of significant accounting policies (continued)

2.8 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 the asset will flow to the entity; and (b) the cost of the asset can be measured reliably.

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 the asset less its estimated residual value, over its useful economic life, straight line method.

Software	15 years
Other intangible assets	5-10 years

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

Amortization of the Company's software (clearing-settlement system) purchased from Montran Corporation has started after its development was completed and the asset was ready to use.

Intangible assets with an indefinite useful life are not amortised, but 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.

2.9 Impairment of non-financial assets

The carrying amounts of property, plant and equipment with finite useful life and intangible assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of profit or loss to its estimated recoverable amount. 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 groups of assets. If this is the 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 the asset / unit. Present values are computed using discount rates that reflect the time value of money and the risks specific to the asset / unit whose impairment is being measured.

Intangible assets with indefinite useful life irrespective of whether there is any indication of impairment, such assets are tested for impairment annually (or more frequently if events or changes in circumstances indicate that they might be impaired).

2 Summary of significant accounting policies (continued)

2.10 Transactions in foreign currency

The functional currency of the Company is Georgian Lari ("GEL"). Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency using the official exchange rates of the National Bank of Georgia at the reporting date. All exchange differences arising on settlement are recognised in profit or loss.

Non-monetary assets and liabilities in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

	USD	EUR
Exchange rate as at 31 December 2021	3.0976	3.5040
Exchange rate as at 31 December 2020	3.2766	4.0233
Average rate for the year 2021	3.2209	3.8140
Average rate for the year 2020	3.1039	3.5449

2.11 Income tax

The Company defines income tax according to the Georgian tax legislation. According to the effective tax legislation, only amount that is distributed among the owners is subject to taxation, while reinvested profit is exempted from applying income tax (except for some cases presented in Article 98^1 of Tax Code of Georgia and 99th and 103rd parts of Article 309). The amount of income tax liability is calculated as 15/85 part from the amount of distributed dividends.

2.12 Provisions and contingencies

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

2.13 Equity

Equity instruments are contracts that give a residual interest of the Company in the net assets of the Company. Ordinary shares are classified as equity. 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 par value of the shares issued they are credited to a share premium account.

Dividend 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 has to be received from the selling of goods or rendering of services.

2 Summary of significant accounting policies (continued)

2.14 Recognition of revenues and expenses (continued)

For each contract the Company takes the following steps: Identifies the contract existence, identifies the performance obligations, determines the transaction price, which implies the assessment of variable remuneration amount and time value of money; the amount indicated in a contract is allocated among performance obligations on a basis of comparative prices; and recognizes the revenue only when the all performance obligation is fulfilled in a manner of transferring all promised good or service.

Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating 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 12months 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 above mentioned right; and
b) Periods covered by the option to terminate the lease early if it is sufficiently certain that the lessee will not exercise that right;

2.15 Offsetting

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

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

3 Critical accounting judgments

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and under lying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects both current and future period. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Useful lives of property, plant and equipment

The estimation of the useful life of property, plant and equipment is a matter of management estimate based upon experience with similar assets. In determining the useful life of an item of property, plant and equipment, 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 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

Provisions are recognized for future liabilities when the 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 circumstances that are not entirely within the group'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

Cash and cash equivalents	31-Dec-21	31-Dec-20
Cash in bank	221,960	289,715
Bank deposits	62,938	59,310
Total cash and cash equivalents	**284,898**	**349,025**

At the end of the reporting period there was no material difference between the carrying amount and fair value of cash and cash equivalents.

Interest income accrued on the deposits during 2021 equals to GEL 3,030 (2020: GEL 3,391).

Cash and cash equivalents by currency is disclosed in Note 17.4, and interest rates by currency - in Note 17.3.

At the end of the reporting period there was no material difference between the carrying amount and fair value of cash and cash equivalents.

5 Trade and other receivables

Trade and other receivables	31-Dec-21	31-Dec-20
Trade receivables	48,319	40,946
Minus: allowance for doubtful accounts	(1,705)	(1,705)
Total trade and other receivables	**46,614**	**39,241**

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 Tax assets and tax liabilities

The Company's tax assets and liabilities arise from income tax, property tax and reverse-charge VAT.

According to the current tax legislation, profit distributed among the owners is subject to taxation of profit tax. As of December 31, 2021 and 2020, the Company does not have any income tax payable on distributed income. Also, according to the Estonian model of profit tax adopted by the Parliament of Georgia in 2016 (profit tax reform), the Company does not incur deferred profit tax.

7 Property, plant and equipment

	Office equipment	Leasehold improvemen	Total
Cost			
As at 31-Dec-2019	**34,440**	**9,625**	**44,065**
Additions	-	-	-
As at 31-Dec-2020	**34,440**	**9,625**	**44,065**
Additions	1,500	-	1,500
As at 31-Dec-2021	**35,940**	**9,625**	**45,565**
Accumulated depreciation			
As at 31-Dec-2019	**(32,037)**	**(8,101)**	**(40,138)**
Depreciation for the year	(1,137)	-	(1,137)
As at 31-Dec-2020	**(33,174)**	**(8,101)**	**(41,275)**
Depreciation for the year	(1,262)	-	(1,262)
As at 31-Dec-2021	**(34,436)**	**(8,101)**	**(42,537)**
Net carrying amount			
As at 31-Dec-2019	**2,403**	**1,524**	**3,927**
As at 31-Dec-2020	**1,266**	**1,524**	**2,790**
As at 31-Dec-2021	**1,504**	**1,524**	**3,028**

At the end of the reporting period the total carrying value of fully depreciated assets is GEL 41,796 (2020: GEL 40,369). However, the Company still uses these assets in its operations.

8 Intangible assets

	Software	Other intangible assets	Total
Cost			
As at 31-Dec-2019	**1,044,648**	**27,176**	**1,071,824**
Additions	112,593	-	112,593
As at 31-Dec-2020	**1,157,241**	**27,176**	**1,184,417**
As at 31-Dec-2021	**1,157,241**	**27,176**	**1,184,417**
Accumulated amortization and impairment			
As at 31-Dec-2019	**-**	**(21,567)**	**(21,567)**
Amortization for the year	(26,352)	-	(26,352)
As at 31-Dec-2020	**(26,352)**	**(21,567)**	**(47,919)**
Amortization for the year	(77,149)	(635)	(77,784)
As at 31-Dec-2021	**(103,501)**	**(22,202)**	**(125,703)**
Net carrying amount			
As at 31-Dec-2019	**1,044,648**	**5,609**	**1,050,257**
As at 31-Dec-2020	**1,130,889**	**5,609**	**1,136,498**
As at 31-Dec-2021	**1,053,740**	**4,974**	**1,058,714**

Intangible assets include the implementation of software (a new clearing and settlement systems) under an agreement with MONTRAN CORPORATION and other intangible assets. In November, 2018, the contracted asset was delivered by MONTRAN CORPORATION to the Company, after which the classification criteria as intangible assets was satisfied and the Company recognized an intangible asset. The last phase of asset development was completed in September 2020.

At the end of the reporting period the total carrying value of fully amortized assets is GEL 20,826 (2020: GEL 20,826). However, the Company uses those intangible assets in its operating activities.

9 Equity

Share capital consists of 10,000,000 issued and authorized shares with par value of a share GEL 1, out of which 598,910 shares are outstanding. The Company has not issued any new shares during 2020 and 2021.

No dividends were distributed to shareholders during 2021 and 2020.

The Company's share premium as of December 31, 2021 and 2020 is GEL 1,316,293.

Capital management

The Company’s objective when managing capital (which it defines as reported net assets in its IFRS 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 Central Depositors. In particular, as required by the NBG, minimum amount of capital for Central Depositor should be GEL 50,000. Management of NBG requirements is integrated into the overall capital management framework and is dynamically controlled by Company's management.

9 Equity (continued)

Capital management (continued)

In addition, 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.

The Company satisfies the minimum capital requirements.

10 Commission, subscription and other operating income	2021	2020
Income from custodian service	417,081	402,520
Commission income	31,230	35,221
Custodian and brokerage membership fee	6,360	5,324
Other operating income	12,008	12,001
Total commission, subscription and other operating income	**466,679**	**455,066**

11 Salary expenses	2021	2020
Salary	367,266	361,361
Premium	25,767	-
Pension expense	7,540	6,919
Total salary expenses	**400,573**	**368,280**

12 Rent Expenses

During the reporting period rent expenses, which contains office rent, equals to GEL 23,149 (2020: GEL 21,650).

13 Other operating expense	2021	2020
Software support	74,197	35,802
Insurance expenses	6,857	5,483
Bank commissions	1,159	2,391
Utility expenses	2,451	2,269
Cleaning and service expenses	1,216	1,241
Other expenses	852	1,341
Total other operating expenses	**86,732**	**48,527**

14 Net foreign exchange gain / (loss)

	Cash and cash equivalents	Trade payables	Conversion	Total
Foreign exchange gain	13,477	38	-	**13,515**
Foreign exchange loss	(23,513)	(85)	(61)	**(23,659)**
Net foreign exchange gain/loss for 2021	**(10,036)**	**(47)**	**(61)**	**(10,144)**

	Cash and cash equivalents	Trade payables	Conversion	L.T. liability to purchase intangible assets	Total
Foreign exchange gain	134,328	280	445	39,829	**174,882**
Foreign exchange loss	(70,893)	(838)	(409)	(59,935)	**(132,075)**
Net foreign exchange gain/loss for 2020	**63,435**	**(558)**	**36**	**(20,106)**	**42,807**

15 Earnings / (loss) per share

Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The company owns only ordinary shares.

	31-Dec-2021	31-Dec-2020
Net income / (loss) attributable to common stockholders	(133,794)	30,565
Profit/(loss) for the year	(133,794)	30,565
Weighted average number of shares	598,910	598,910
Basic	**(0.22)**	**0.05**

16 Contingent liabilities

16.1 Taxation contingencies

The taxation system in Georgia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. 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.

These circumstances may create tax risks in Georgia that are more significant than in other countries. Management believes that it has provided adequately for 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 financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

17 Information on financial risks

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 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 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 two market risk components:
  - Interest rate risk
  - Currency 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 recorded by category:

	31-Dec-21	31-Dec-20
Financial assets		
Cash and cash equivalents	284,898	349,025
Trade receivables	46,614	39,241
Total financial assets	**331,512**	**388,266**
Financial liabilities		
Trade payables	2,500	2,571
Total financial liabilities	**2,500**	**2,571**

17.1 Credit risk

No significant concentration of credit risks was observed.

The maximum credit risk of the Company is given in the following table:

	31-Dec-21	31-Dec-20
Cash at current bank account	284,898	349,025
Trade receivables	46,614	39,241
Total financial assets	**331,512**	**388,266**

As defined in Note 4, cash and cash equivalents consists of cash in bank accounts and bank deposits. The Company does not have any collateral for its receivables. The Company manages 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 since initial recognition summarized bellow:

- A financial instrument that is not credit-impaired on initial recognition is classified in “stage 1” 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 2” but is not yet deemed to be credit-impaired.

17 Information on financial risks (continued)

17.1 Credit risk (continued)

- If the financial instrument is credit-impaired, it is then moved to “stage 3”.

- Financial instrument on stage 1 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 2 and 3 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 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk	(Credit-impaired assets)
Expected credit loss for 12	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 2021.

As for trade receivables the Company uses the simplified approach is based on days overdue. The Company has five overdue ranges. Expected credit loss percentage is based on Company`s operating sector and previous experience. Expected credit loss table is presented below:

Days Overdue	< 30	31-60	61-90	91-180	> 180
ECL Percentage	2%	5%	25%	50%	100%

For held to maturity financial assets, expected credit loss (ECL) is based on credit risk change after initial recognition.

Loss allowances will be measured on either of the following bases: a) 12-month ECLs - If the credit risk on a financial instrument has not increased significantly since initial recognition b) lifetime ECLs - If the credit risk on that financial instrument has increased significantly since initial recognition.

Considering the fact, that credit risk is not increased significantly after initial recognition, the Company used 12-month ECL for held to maturity financial assets.

17.2 Liquidity risk

The Company manages the risk of liquidity based on expected maturity.

Liquidity risk as at December 31, 2021 can be presented as follows:

	Up to 1 year	1 year to 5 years	Over 5 years	Total
Financial assets				
Cash and cash equivalents	284,898	-	-	284,898
Trade receivables	46,614	-	-	46,614
Total financial assets	**331,512**	**-**	**-**	**331,512**
Financial liabilities				
Trade payables	2,500	-	-	2,500
Total financial liabilities	**2,500**	**-**	**-**	**2,500**
Liquidity gap	**329,012**	**-**	**-**	**329,012**

17 Information on financial risks (continued)

17.2 Liquidity risk (continued)

Liquidity risk as at December 31, 2020 can be presented as follows:

	Up to 1 year	1 year to 5 years	Over 5 years	Total
Financial assets				
Cash and cash equivalents	349,025	-	-	349,025
Trade receivables	39,241	-	-	39,241
Total financial assets	**388,266**	**-**	**-**	**388,266**
Financial liabilities				
Trade payables	2,571	-	-	2,571
Total financial liabilities	**2,571**	**-**	**-**	**2,571**
Liquidity gap	**385,695**	**-**	**-**	**385,695**

17.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The impact of interest rate changes on the fair value of financial assets with a fixed interest rate was assessed as unimportant.

The interest rate exposure is presented bellow:

	31-Dec-21		31-Dec-20	
In % P.A	**GEL**	**USD**	**GEL**	**USD**
Cash and cash equivalents	3%	0.75%	5.5-6.5%	-

17.4 Foreign currency 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.

As at December 31, 2021 the Company had only the following balances in foreign currencies:

At December 31, 2021	Cash and cash equivalents	Total
USD	170,591	**170,591**
Total	**170,591**	**170,591**

As at December 31, 2020 the Company had only the following balances in foreign currencies:

At December 31, 2020	Cash and cash equivalents	Total
USD	251,741	251,741
Total	**251,741**	**251,741**

A hypothetical 10% increase / decrease in the exchange rate of the GEL against the US Dollar would increase 2021 profits after taxes by GEL 17,059 (2020: 25,174GEL).

18 Related parties

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

a) 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
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 group (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 group 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 group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The Company's main shareholders are JSC Georgian Stock Exchange and JSC Tbilisi Stock Exchange.

Income	**2021**	**2020**
Income from shareholders	12,000	12,000
Income from other related parties	390,751	389,149

Expenses	**2021**	**2020**
Subsidiaries	195	189
Other related parties	3,497	11,723

Key management compensation	**2021**	**2020**
Wages, salaries and short-term benefits	254,100	232,400

Balances with related parties	**31-Dec-21**	**31-Dec-20**
Main shareholders	1,000	1,000
Other related parties	39,085	33,034

Cash balances at bank	**31-Dec-21**	**31-Dec-20**
Cash at JSC Bank of Georgia	45,053	60,040
Cash at JSC TBC Bank	174,787	227,137

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's liquidation or significant restriction of its activity.

20 Events after the reporting period

On 24 February 2022, Russia began a military invasion of Ukraine, in a major escalation of the Russo-Ukraininan conflict that tad begun in 2014. The war is still ongoing for the date of approval of the Company.s financial statements. The invasion was widely condemned internationally. Many counties imposed new sanctions which have led to economic consequences for Russia and the world economy.

The Company does not consider the risks arising from the above-mentioned Russo-Ukrainian conflict as significant since the Company or its owners and the Company's mainc customers do not have any ties with either Russia or Ukraine.

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

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