MACTE INVEST FM AB
Independent Auditor's Report,
Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the EU and Annual Report
for the year ended on 31 December 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MACTE INVEST FM AB

Report on the Financial Statements

Opinion

We have audited the financial statements of MACTE INVEST FM AB (the Company), which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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) and the requirements of the Republic of Lithuania Law on the Audit of Financial Statements related to the audit in the Republic of Lithuania. We have fulfilled our other ethical responsibilities in accordance with the Republic of Lithuania Law on the Audit of Financial Statements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. All key audit matters and our response to them are described below.

Key Audit Matter	Our Response to the Key Audit Matter
Over the year ended on 31 December 2021 the Company earned an income of 683,5 thousand euros (293,6 thousand euros in 2020). The income included client commissions, earnings from securities trading. Commissions paid by the clients are recognized when the service is rendered. The service of securities' custody is recognized over the period of time during which the service is rendered. Decision of whether an obligation is fulfilled over a certain period of time or rather at a precise moment in time is based on the management's assessment. Considering the significance of the amounts of income, we have judged the audit assessment necessary and have respectively established the recognition of income as a key audit matter.	The following procedures, among others, have been performed: a) we have obtained knowledge on the Company's income recognition process, reviewed the implementation of selected internal control procedures, including income calculation and moment of recognition; b) for the scope of client contracts, we have reviewed the main contract provisions, interviewed the employees and verified the recognition of obligations to clients and attribution of reward to a transaction, application of set sales prices; c) we have made sure that the transactions rendering income were concluded during the reporting period and at appropriate fees, verified them against invoices, payments and contracts. d) we have verified whether quantitative and qualitative information, obligatory following the applied requirements and standards for financial statement preparation, was properly included and described in the financial statements.

Other Information

The other information comprises the [information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether the information included in the Company's annual report, including the Corporate Governance Report, for the financial year for which the financial statements are prepared is consistent with the financial statements and whether the Company's annual report, including the Corporate Governance Report, was prepared in compliance with the applicable legal requirements. Based on the work carried out in the course of the audit of financial statements, in our opinion, in all material respects:

- The information provided in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's annual report was prepared in accordance with the requirements of the Law of the Republic of Lithuania on Financial Reporting by Undertakings.

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 as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We were appointed to conduct the audit of the Company's financial statements for the Y2021 (a single year) following the decision of the shareholders' meeting of 25 May 2021.

We confirm that our opinion in the Opinion section is consistent with the audit report on the financial statements submitted to the Company together with this auditor's conclusion.

We certify, that to the best of our knowledge and belief, the services provided to the Company are in compliance with applicable laws and regulations and do not cover non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council. In the course of the audit, we did not provide any services other than the audit of the financial statements. The engagement partner of this audit, the result of which is this independent auditor's report, is Dangutė Pranckėnienė.

Moore Mackonis UAB

Auditor Dangutė Pranckėnienė

Licenced Auditor

18 March 2022

MACTE · INVEST®

ANNUAL REPORT

For the financial year ended on 31 December 2021

1. Objective review of the company's condition, performance and development, description of the main risks and uncertainties that the Company faces

In 2021, the Company took active steps to meet the requirements provided for in legal acts for the Company's activities, to improve internal control, financial statement and customer service.

The main problem in 2021 came from operational restrictions related to the pandemic and the efficiency of teleworking. Nevertheless, the Company has updated accounting IT, CRM and ERP systems. Also in 2021, thanks to new shareholders, the Company attracted new customers. Over the year, the client portfolio increased by 290% (2021-01-01 - EUR 63.70 million, 2021-12-31 - EUR 249.53 million).

In 2021, the Company's costs related to the order of legal services during the internal audit and the *requirements for the Company's activities provided for in legal acts increased.*

In 2021, the Company has invested and plans to continue investing in improving its IT infrastructure in the coming years, i.e.:

1. Improvement of the quality of the reporting system, full integration of the Company's accounting system into the Client's Office (MIWM) so that the client can get acquainted with the status of the investment portfolio in real time in accordance with all MiFID and other regulations;
2. Cybersecurity and confidential improvement of data security by updating existing computers and purchasing additional data protection software.

17 November 2021 The structure of the Company's shareholders has changed: S. Vinokurov sold his share to a new shareholder of the Company.

Since 15 December 2021 the Director of the Company and the number and composition of the board members have changed. V. Levchenko left the composition of the Board, and the following remained:

1. Armands Bushs board member
2. Aleksejs Bahtinovs Member of the Board

As of 15 December 2021 Grdzelišvili became director instead of V. Levchenko.

2. Financial and non-financial performance analysis, environmental and personnel information

2021 was marked by geopolitical instability and the threats arising therefrom, which affected both global financial markets and the activities of Macte Invest FM AB. The Company has improved its IT system and introduced many new control and performance improvement procedures. A direct SWIFT account and other new bank accounts are currently being opened.

New reports are integrated into the accounting system of the Company's customers and management structures. The implementation of the new KYC module has been completed and is currently in the testing phase, which will allow to optimize and automate the work of the KYC unit, customer managers and brokerage departments, reduce the influence of the human factor when working with documents and increase the level of risk control. In 2021, the number of employees in the Company increased by 40% and plans to continue to grow this year.

Over the past year, the Company has recruited new highly qualified AML and Compliance Specialists to reduce AML/compliance risk, as well as to respond in a timely manner to new requirements and laws related to AML,

compliance, MIFID/MIFIR. In the coming years, the Company plans to additionally employ several new specialists, depending on the growth of customer operations and accounts. The Company also recruited a new IT specialist for the implementation of the IT infrastructure improvement projects described above.

3. The number of all own shares acquired and held by the Company, their nominal value and the share of the authorised capital that those shares form part of

There were no such transactions.

4. The number of own shares acquired and disposed of during the reporting period, their nominal value and the share of the authorised capital

There were no such transactions.

5. Information on the payment of own shares, if acquired or transferred against payment

The Company did not acquire its own shares.

6. Reasons for the acquisition of the company's own shares during the reporting period

There were no such transactions.

7. Information about the Company's branches and representative offices

In 2021, the Company registered Macte Invest FM as a taxpayer of the Republic of Latvia AB (registered office of the Company: VAĻŅU 19-1D, RĪGA LV-1050).

8. Information on major events occurring after the end of the financial year

After the end of the financial year, there were no thorny events.

9. The company's business plans and forecasts

Currently, the Company follows the business plan announced by new shareholders: attracts new customers and improves internal control processes and IT system.

The Company intends to continue to offer capital raising services by issuance of debt securities on the Baltic and EU stock markets to medium and large Companies as an alternative to banking financing.

The company also intends to start actively offering its clients the service of investment portfolio management on a fiduciary basis. For these purposes, the Company will invite a professional manager, as well as the Company's internal procedures will be updated and supplemented.

10. Information about the Company's research and development activities

Currently, the Company does not carry out research and development activities.

11. Information about the financial risk management objectives used for hedging instruments subject to hedge accounting and the extent to which the Company's price risk, credit risk, liquidity risk and cash flow risk is incurred when the Company uses financial instruments and where relevant for the assessment of the Company's assets, equity, liabilities, income and expenses.

The Company analyzes, assesses, assumes and manages the risks it faces in its activities. The purpose of risk management is to reduce the Company's potential losses. **The Company operates procedures for managing the underlying financial risk.** According to the Company's existing business model and its category B licence, the Company does not have its own portfolio and therefore no hedging instruments are applied.

Foreign exchange risk due to fluctuations in prices of different currencies is minimal, the Company does not use financial instruments that help to manage foreign exchange risk.

Liquidity risk management in the Company is carried out in the implementation of the internal control function: a business continuity plan and possible unforeseen prudential procedures are established. The procedures of the Company's ongoing and existing processes and the acceptability or inadmissibility of the services provided by the Company are also constantly assessed.

12. Information about other managerial positions held by the head of the Joint-Stock Company and the Private Limited Liability Company, the members of the Board, the members of the Supervisory Council (legal form, name, code, seat (address) of the head of the company and the private limited liability company, the legal person (legal form, name, code, seat (address) of the management body or the member of the supervisory body) and the most important information about their main place of work (position, legal form, legal form of the legal person, name, code, location(s) address.

Aleksejs Bahtinovs (Board Member):

1. **UAB Sanet Europe Asset Management - manager, board member**
   In/k. 305201896, Vilkpėdės str. 22, LT-03151 Vilnius

2. **D&B Investment SIA - Guide**
   In/k. 40203367541, 16.12.2021, Vaļņu iela 19 - 1D, Rīga, LV-1050

Armands Bushs (board member):

1. Frigate AS - **Board Member**
   In/k. 40103953555, Valnu iela 19, *Rīga, LV-1050*

2. Frigate SA - Guide
   Ļ/k. CHE-222.904.081, Rue des Bains, Geneva 1205, Switzerland

Grigory Grdzelišvili (Director)

Main job at Macte Invest FM AB.

Director *Grigorij Grdzelišvili*

18.03.2022

STATEMENT OF COMPREHENSIVE INCOME

Articles	Note No.	2021	2020
Sales revenue	9	683 467	293 613
Cost of sales	10	(131 665)	(228 470)
GROSS PROFIT (LOSS)		**551 802**	**65 143**
Operating cost	11	(550 507)	(434 150)
Operating profit (loss)		**1 295**	**(369 007)**
Income from financing activities	12	11 633	3 203
Costs from financing activities	12	(4 851)	(123 294)
Other operating income	12	7 961	
PROFIT (LOSS) BEFORE TAX		**16 038**	**(489 098)**
Income tax	13	(6 407)	73 222
Net profit (loss) attributable to the shareholders of the Company		**9 631**	**(415 876)**
Other comprehensive income that will not be transferred to the income statement in the future			
Other comprehensive income			
Total comprehensive income attributable to the Company's shareholders		**9 631**	**(415 876)**
Profit (loss) per 1 share			
Basic profit (loss) per 1 share	14	0,0803	-3,47
Diluted profit per share (loss)	14	0,0803	-3,47

Director Grigorij Grdzelišvili

Chief Accountant, Director of UAB "Added Value" Arvydas Vainoras,

18.03.2022

STATEMENT OF FINANCIAL POSITION

ASSETS	Note No.	31.12.2021	31.12.2020
NON-CURRENT ASSET		**103 098**	**114 318**
Non-Current Intangible assets	1	2 639	4 306
Non-Current Tangible assets	2	3 273	3 210
Deferred income tax assets	4	93 144	97 909
Assets under management	3	4 042	8 893
CURRENT ASSETS		**321 544**	**331 396**
Trade Receivables	5	168 248	229 726
Other investments			
Cash and cash equivalents	6	153 296	101 670
TOTAL ASSETS:		**424 642**	**445 714**

EQUITY AND LIABILITIES	Note No.	31.12.2021	31.12.2020
EQUITY		**256 243**	**246 612**
Authorized capital	7	348 000	348 000
Legal reserves	7	34 800	34 800
Retained profit (loss)	7	(126 557)	(136 188)
AMOUNTS PAYABLES AND OTHER LIABILITIES		**168 399**	**199 102**
AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES		0	4 500
AMOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES	8	168 399	194 602
TOTAL EQUITY AND LIABILITIES:		**424 642**	**445 714**

Director Grigorij Grdzelišvili

Chief Accountant, Director of UAB "Added Value" Arvydas Vainoras,

18.03.2022

STATEMENT OF CHANGES IN EQUITY

	Paid-up authorized capital	Legal reserves	Retained profit (loss)	Total
Balance as at 31 December 2019	**348 000**	**34 800**	**2 259 688**	**2 642 488**
Comprehensive income			(415 876)	(415 876)
Dividends			(1 980 000)	(1 980 000)
Balance as at 31 December 2020	**348 000**	**34 800**	**(136 188)**	**246 612**
Gross income			9 631	9 631
Balance as at 31 December 2021	**348 000**	**34 800**	**(126 557)**	**256 243**

Director Grigorij Grdzelišvili

Chief Accountant, Director of UAB "Added Value" Arvydas Vainoras,

18.03.2022

STATEMENT OF CASH FLOW

Articles	Past. No.	2021	2020
Cash flows from operating activities			
Net profit (loss) before tax for the year		16 038	(489 098)
Adjustments for non-cash costs (income):			
Depreciation and amortisation		3 070	890
Loss on the disposal (profit) of financial assets			(45 546)
Change in lease liabilities and assets		70	841
Elimination of other activities (income)		(5 974)	
Elimination of revaluation of currency balances		3 250	
Changes in working capital:			
Decrease (increase) in trade receivables and other amounts receivables		61 478	45 313
Increase (decrease) in liabilities related to employment			639
Increase (decrease) in trade payables		(57 039)	60 234
Increase (decrease) in other payables		33 094	(19 503)
Increase (decrease) in advance payments		(946)	(21 001)
Increase (decrease) in income tax liabilities			
Net operating cash flows		**53 041**	**(467 231)**
Cash flows from investing activities			
Transferred non-current tangible assets		(706)	(8 406)
Recovery (issued) loans			
Sold (acquired) financial assets			1 938 717
Net cash flows from investing activities		**(706)**	**1 930 311**
Cash flows from financial activities			
Paid dividends		(709)	(1 887 644)
Net cash flows from financing activities		**(709)**	**(1 887 644)**
Net increase (decrease) in cash flows		***51 626***	***(424 564)***
Cash and cash equivalents at the beginning of the period		101 670	526 234
Cash and cash equivalents at the end of the period		153 296	101 670

Director Grigorij Grdzelišvili

Chief Accountant, Director of UAB "Added Value" Arvydas Vainoras,

18.03.2022

EXPLANATORY NOTE

I. General

Macte Invest FM AB was registered on 03 March 1994, Company code 122601232, registered office at Gedimino per. 20, Vilnius.
The authorized capital of the Company amounts to 348,000 EUR. It's divided into 120,000 ordinary registered shares with per the nominal value of 2,90 EUR each.

The shareholders of the Company were:

	31 December 2021		31 December 2020	
	Number of shares held	**Ownership share**	**Number of shares held**	**Ownership share**
Collide S.A. (Switzerland)			27 170	22,64%
Sergey Abarzua Soboleva	44 300	36,92%	44 300	36,92%
Andrejs Kocetkovs	34 285	28,57%		
Frigate AS; Reg. code: 40103953555; LEI: 2138008RGTU38IRCST03; Address: Valnu str. 19-1D, Riga, LV-1050, Latvia; Legal form: JSC; Economic activity: Finance, Holding company	11 900	9,92%	35 700	29,75%
Sergei Vinokuriov			7 115	5,93%
Aleksejs Bahtinovs	11 900	9,92%		
Armands Bush	11 900	9,92%		
Other shareholders	5 715	4,76%	5 715	4,76%
Total	120 000	100,00%	120 000	100,00%

The average number of listed employees in 2021 - 12 employees (10 employees in 2020).

The Company operates under a valid license from the Bank of Lithuania, licence No B084, issued on 14 November 2002.

The Company provides services regulated in accordance paragraph 13 of the Law on Markets in Financial Instruments of the Republic of Lithuania:
- the granting to the investor of credit or a loan by which the investor may enter into a transaction in one or more financial instruments and the undertaking granting the credit or loan is itself involved in the transaction;
- execution of orders on behalf of clients;
- acceptance and transmission of orders;
- distribution of financial instruments without obligation to distribute them;

- the safekeeping, accounting and management of financial instruments for the account of clients, including custody of assets and other related services such as the management of cash or financial collateral;
- portfolio management of financial instruments;
- the submission of investment recommendations.

These financial reports are prepared on the basis of going concern principle.

II. Accounting policy

(a) Basis for the preparation of financial statements

The Company's financial statements are prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS). Financial statements prepared on the basis of historical cost, excluding securities and financial derivatives measured at fair value through profit or loss.

Functional and presentation currency

The Company's accounting records are registered in Euro, the national currency of the Republic of Lithuania. All amounts in these financial statements are also presented in euros.

Application of new and revised International Financial Reporting Standards

The following revised standards issued by the International Accounting Standards Board (IASB) and adopted by the EU, as well as additions and clarifications to existing standards, are currently in force:

Amendments to IFRS 3 Business Combinations (valid for annual periods starting on 1 January 2020);
Amendments to IFRS 9, IAS 39 and IFRS 7: Reform of the interest rate benchmark (applicable for annual periods beginning on 1 January 2020);
Amendments to IAS 1 and IAS 8: Definition of Materiality (valid for annual periods starting on 1 January 2020);
Changes to the concept of references to IFRS standards (valid for annual periods starting on 1 January 2020).

The adaptation of the changes to the above standards did not have a significant impact on the Company's financial statements.

Standards issued by the IASB, approved by the EU but not yet entered into force

The Company has not applied the following IFRSs, which have already been approved at the date of signature of the following financial statements but have not yet entered into force:

Amendments to IAS 16 Property, Plant and Equipment
Amendments to IAS 12 Income Tax
Amendments to IAS 37 Provisions, contingent liabilities and assets

Other standards

Due to the amendments to the following new standards or standards, no significant effect on the Company's financial statements is expected:

Other new standards and amendments	**Date of entry into force of the IASB**	**EU status for the application of the approval**
References to the Conceptual Framework for Financial Statements (amendments to IFRS 3)	1 January 2022	Approved
Annual improvements to IFRS standards 2018-2020	1 January 2022	Approved
Classification of liabilities as short-term and long-term (amendments to IAS 1)	1 January 2023	Not yet confirmed

IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023	Approved
Initial application of IFRS 17 and IFRS 9 - Comparative information (amendments to IFRS 17)	1 January 2023	Not yet confirmed
Disclosure of accounting policies (amendments to IAS 1 and IFRS practice statements amendments 2)	1 January 2023	Not yet confirmed
Definition of accounting estimates (amendments to IFRS 8)	January 1, 2023	Not yet confirmed

The amendments shall apply to annual reporting periods beginning on or after 1 January 2022. The following amendments to IFRS standards with a narrow scope have been published:
– The amendments to IFRS 3 Business Combinations update the reference in IFRS 3 to the Conceptual Framework for Financial Statements without changing the accounting requirements for business combinations.
– Annual amendments to IFRSs 2018-2020 make minor changes to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and IFRS 16 Leases.

IAS 1 Presentation of Financial Statements. "Assignment of liabilities to current and long-term liabilities" (amendments)

IFRS 17 Insurance Contracts and IFRS 17 Insurance Contracts (Amendments)

The Company considers that the adaptation of these standards, changes and clarifications to the applicable standards will not have a material impact on the Company's financial statements during their initial application period.

(b) Non-current Tangible and Intangible assets

An intangible asset is carried at acquisition cost, reduced by accumulated amortisation and accumulated impairment losses. An intangible asset is amortised on a straight-line basis over the expected useful life.

Tangible fixed assets are carried at an acquisition cost reduced by accumulated depreciation amounts and impairment amounts. Depreciation is calculated using the straight-line method, writing off in proportion the cost of the acquisition of each individual unit of the asset over the following expected useful lives of the asset:

Furniture	6 years,
Office equipment	3 years,

The Company found that it considers fixed assets with an acquisition value in excess of 350 EUR.

(c) Investments and other financial assets

Financial assets classified in the scope of IFRS 9 are classified as financial assets measured at fair value through profit or loss or other comprehensive income, or financial assets measured at amortised cost. The classification depends on the entity's financial asset management model and contractual cash flow conditions.

A financial asset is recognised when the Company becomes a party to the terms of the facility agreement. The recognition of a financial asset in the financial statements shall cease when the rights to receive cash flows from the financial asset expire or are transferred and the Company has transferred substantially all the risks and benefits of ownership. At the time of initial recognition, the Company measures a financial asset at its fair value by adding transaction costs directly attributable to the acquisition of a financial asset if the financial asset is not measured at fair value, the changes in which are recognised in profit or loss. Transaction costs related to a financial asset measured at fair value, the changes of which are recognised in profit or loss, are recognised as an expense in profit or loss.

Assets held to generate contract cash flows when they are only principals and interest payments are measured at amortised cost. Interest income on such financial assets is calculated using the effective

interest method and is presented in the statement of comprehensive income under the "Interest income" item. Profit or losses arising from derecognition of an asset are recognised directly in profit or loss. Impairment losses are presented under a separate item in the statement of comprehensive income.

(d) Trade Receivables Other Amounts Receivables

The Company's receivables from clients and other receivables are allocated to the category of financial assets valued at amortised cost, since the business model applied to these financial assets of the Company is to hold assets in order to obtain the cash flows provided for in the contract and are principals and interest payments. This category also includes the item of financial assets of cash and cash equivalents. The Company reclassifies debt instruments only when their business model for the management of such assets changes.

(e) Financial Assets measured at fair value through profit or loss

Equity investments held by The Company are accounted for as financial assets measured at fair value through profit or loss. Since these financial assets are not intended for trading, the Company has the irrevocable option, at the time of initial recognition, to measure the equity instruments at fair value after initial recognition, recognising its changes in profit or loss or other comprehensive income.

(f) Impairment of Financial Assets

As of 1 January 2019 The Company assesses expected credit losses on financial assets valued at amortised cost on the basis of forward-looking information. The impairment methodology shall take into account whether credit risk has increased significantly.

A financial asset shall be considered impaired by credit risk if, at the date of the financial statements, there is objective evidence of impairment. An example of evidence of impairment may be indications that debtors or a group of debtors are facing significant financial difficulties, failing to make or delaying payments, the likelihood that they will go bankrupt or undergoing other financial reorganisations.

Financial asset is (in whole or in part) written off if there is no reasonable expectation of recovery. Indications that there is no reasonable expectation of recovery include the likelihood of the debtor's insolvency or material financial difficulties. The recognition of impaired debts shall be terminated when they are valued as amounts that cannot be recovered.

For trade receivables and other receivables, the Company uses the simplified method set out in IFRS 9, according to which expected losses over the life of the period should be recognised from the moment the receivables are initially recognised.

The Company assesses that the expected credit loss may result from receivables that are not guaranteed by reserved funds in the debtors' customer accounts.

The Company distinguishes between two types of financial assets that are subject to IFRS 9's new expected credit loss model:

- from buyers and other receivables
- cash and cash equivalents.

The Company has revised its impairment methodology in accordance with IFRS 9 for each of these asset classes. The impairment losses identified are insignificant.

Until 1 January 2019 The Company applied a model of losses incurred to financial assets carried at amortised cost. If there are indications that the value of loans and receivables at amortised cost is impaired, the impairment of the asset is calculated as the difference between the carrying amount of the asset and the value of the expected cash flows (without estimating future expected losses that have not yet been incurred) of the discounted financial asset at the initial effective interest rate (i.e. the effective interest rate measured at the time of initial recognition). The carrying amount of an asset is reduced by the amount of the estimated impairment. The amount of the impairment is included in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and cash flow statement consist of cash held in the bank.

(h) Financial liabilities

The Company recognizes a financial liability when it becomes a party to the rights and obligations arising out of the contract.

All financial liabilities are initially recognised at fair value less transaction costs directly attributable to the issuance of a financial liability if the financial liability is not measured at fair value through profit or loss. Financial liabilities are measured at amortised cost using the effective interest method. A financial commitment shall be derecognised when it is covered, cancelled or expires.

(i) Trade Payables

Trade payables are liabilities to pay for goods purchased from suppliers or services provided by them during the normal operating cycle. Trade payables are classified as current liabilities if they need to be settled over a period of one year or less (or during the normal operating cycle, if longer). Financial liabilities included in debts to suppliers are initially recognised at fair value and subsequently at amortised cost. The fair value of a non-interest-bearing obligation is its discounted amount of repayment. If the deadline for fulfilling the obligation is less than one year, discounting shall not apply.

(j) Share capital

Share capital shall be recorded in the statement of the financial position at its subscribed value.

(k) Lease

The assessment of whether the contract is a lease agreement or whether it includes lease terms is based on the content of the contract and requires it to be determined whether the fulfilment of the terms of the contract depends on the use of the specific property and whether the contract includes the right to use the property.

The lease of assets for which the lessor retains the risks and rewards of ownership is classified as operating leases. Lease payments based on operating leases are recognised as expenses in a linear manner over the lease term and are included in other administrative and operating expenses.

(l) Recognition of income

Commission income includes the proceeds of commissions for transactions carried out on behalf of the Company's clients and income from fund managers for the distribution of funds. Income from transaction fees is recognised as income as soon as the Company provides the transaction execution service, and the proceeds from the distribution of funds are recognized in a linear manner during the period when the Company's clients have invested in funds.

The Company earns a distribution fee from its clients for the distribution of new funds or existing funds. The distribution of investment funds and investment funds intended for informed investors is a separate service that is executed when the client acquires the units of the fund, so that the proceeds of distribution are recognised as soon as the client transfers the funds and the fund units are issued.

Income is recognized by accruing interest using the calculated interest method (that is, the amount that accurately discounts the estimated future cash inflows over the expected life of financial instruments to the net carrying amount of the financial asset).

(m) Income tax

Income tax is calculated on the basis of profit or loss for the current year and also includes deferred taxes. Income tax is calculated in accordance with the requirements of the tax legislation of the Republic of Lithuania.

As of 1 January 2010, the standard corporate tax rate applied to enterprises of the Republic of Lithuania was 15 %.

Tax losses may be carried forward indefinitely by reducing taxable profit for future periods, except for losses on the sale of securities and/or derivatives, which can be carried forward for 5 years. Losses from the sale of securities and/or the sale of derivatives may reduce only the same type of taxable income.

Deferred taxes are accounted for using the liability method. Deferred income tax reflects temporary tax differences between the Company's assets and liabilities shown in the financial statements and the assets

and liabilities shown in the tax statements. Deferred tax assets (liabilities) are valued at the corporate tax rate that will be effective when these temporary tax differences are realised.

A deferred tax asset is recorded in the statement of financial position when management expects to generate such expected tax profits in the near future that it is sufficient to realise the asset. If it is probable that part of the deferred tax asset will not be realised, this part of the deferred tax is not recognised in the financial statements.

(n) Employee benefits

The Company pays social security contributions to the State Social Insurance Fund (hereinafter referred to as the Fund) for its employees in accordance with the established contribution plan in accordance with local legal requirements. A defined contribution plan is a plan whereby the Company pays flat-rate contributions to the Fund and has no legal or constructive obligation to continue making contributions if the Fund does not have sufficient assets to pay all employee benefits related to their service in the current and prior periods. Social security contributions are recognised as an accruals expense and are allocated to employees' expenses. Social security contributions are distributed each year by the Fund to pensions, health, sickness, maternity and incapacity for work.

(o) Provisions

Provisions shall be accounted for when, as a result of a past event, the Company has a legal obligation or an irrevocable commitment, and it is probable that resources providing economic benefits will be required to meet it, and the amount of the liability can be measured reliably. When the Company expects that part or all of the provisioning will be offset, for example, the amount reimbursed on the basis of an insurance contract is recognized as a separate asset, but only when the compensation is guaranteed. The costs related to the provisions shall be recorded in the income statement on a net basis, taking into account the amounts reimbursed. If the time value of the cash is material, the provisions shall be discounted using the pre-tax interest rate for the period preceding the rate, taking into account, where appropriate, the specific risks associated with the liability. When discounting is used, an increase in a provision that reflects a period of passage of time is accounted for as a financial expense. No provisioning has been established in previous accounting periods.

(p) Off-Balance sheet Contingencies

Contingent liabilities are not recognised in the financial statements. They are described in the notes to the financial statements, except where the probability of loss of economically advantageous resources is very low.

Contingent assets are not recognised in the financial statements but disclosed if the resources providing economic benefits are probable.

(q) Derecognition of Financial Assets and Liabilities

A financial asset (or, where appropriate, part of a financial asset or part of a group of similar financial assets) shall be derecognised when:

- the contractual rights to the cash flows of the financial asset expire; or
- the transfer of substantially all the risks and rewards inherent in ownership of the financial asset.

When the Company has transferred rights to the cash flows of an asset but has not transferred control of the risks, benefits and assets associated with ownership of the asset, the asset is recognised to the extent that the Company is related to it. When the transfer of assets related to the Company becomes a guarantee, then the link to the related assets is valued at the lower of the amount of the assets and the maximum amount of the guarantee that the Company would have to pay.

When a transferred asset related to the Company becomes sold or purchased under an option for the acquisition of such transferred asset, then such relationship shall be measured by the amount that the entity can repurchase. However, if there is a subscription to a put option for a transferred asset that is measured at fair value, then the entity's relationship is measured at the lower of the fair value of the transferred asset and the exercise price of the option.

A financial commitment shall be derecognised when it is covered, cancelled or has expired.

When an existing financial obligation to the same creditor is replaced by another obligation with substantially different terms, or the terms of the existing obligation are substantially modified, such changes shall be recognised as derecognition of existing liabilities and recognition of new liabilities, the difference between them being recognised in profit or loss.

Financial assets and liabilities may be offset and presented on a net basis in the statement of financial position if there is a legal possibility to offset recognised amounts and it is intended to be settled on a net basis or to sell the asset and settle arrears at the same time.

(r) Events after the Reporting Date

Post-reporting events that provide additional information about the Company's position at the date of the preparation of the financial statement of financial position (adjusting events) are presented in the financial statements. Post-reporting events that are not corrective events are described in the notes when significant.

(s) Distributions of Cost in the Income Statement

Sales costs item in the statement of profit and loss the Company accounts for costs directly related to the generation of income in relation to third parties under the cost of sale. The Company classifies all operating costs, including costs incurred in attracting new customers, under the operating expenses item.

(t) Use of estimates in the preparation of financial statements

In accordance with International Financial Reporting Standards, management is required to make certain assessments and assumptions when preparing its financial statements that affect the disclosure of assets, liabilities, income, expenses and uncertainties. In these financial statements, the relevant areas in which valuations are used are the determination of impairment of receivables and expected credit losses.

Notes

1. Non-Current Intangible fixed assets

	31.12.2021	31.12.2020
Cost of acquisition of patents, licences	5 000	5 000
Amortization of the value of patents, licences (-)	-2361	-694
Total:	**2639**	**4 306**

2. Non-Current Tangible fixed assets

	31.12.2021	31.12.2020
Acquisition cost of other equipment	4 876	3 406
Depreciation of acquisition cost of other equipment (-)	-1 600	-196
Total:	**3273**	**3 210**

3. Assets under management

The Company rents office premises from February, 2020 (for 32 months) and the amount of assets subject to the right of use deducted at 31.12.2021 is EUR 4042 (current liabilities).

4. Deferred Tax Assets

Taxable and deductible temporary differences	Deferred tax asset base	Rate %	Deferred income tax assets
31.12.2021			
Unused vacation accumulations	812	15	122
Tax losses	620 151	15	93 023
Total	**620 963**	**X**	**93 144**
31.12.2020			
Unused vacation accumulations	12 533	15	1 880
Tax losses	640 191	15	96 029
Total	**652 725**	**X**	**97 909**
Difference			**-4 765**

5. Amounts Receivables within one year

	31.12.2021	31.12.2020
Trade receivables	85 771	94 759
Budget debt for the Company	2 300	
Prepayments for suppliers	2 269	3 591
Other receivables	77 908	131 376
Total:	**168 248**	**229 726**

Trading receivables are customers of serviced securities, the payment of which is made by the Company from the money held in the customer accounts and does not distribute according to the age of the debt.

6. Cash and cash equivalents

	31.12.2021	31.12.2020
Money in bank, EUR	153 296	93 146
Money in bank, USD	0	8 524
Total:	**153 296**	**101 670**

7. Authorized capital and reserves

The authorised capital of the Company consists of 120,000 units ordinary registered shares of EUR 2,90 at nominal value.

The increase in the authorised capital was last registered on 31/01/2017.

At the end of the accounting year, the total authorised capital shall be paid up. The Company has established a mandatory profit reserve of EUR 34,800 provided for in the Law on Companies of the Republic of Lithuania.

8. Amounts Payables

	31.12.2021	12.31.2020
Trade payables	12 033	69 071
Prepayments received	0	946
Vacation accruals	11 372	12 533
Social security payable	0	0
Other tax liabilities	7 887	662
Tax liabilities	0	13 799
Dividends payable	86 147	86 856
Other amounts payables	50 960	10 734
Total:	**168 399**	**194 602**

The Company did not pay all the dividends allocated because not all shareholders are identified and/or claimed the rights to dividends.

9. Sales revenue

	2021	2020
Commission income on transactions	559 715	220 461
Services for issuers	0	24 807
Interest on securities-bonds	0	47 956
Other services for customers	123 752	390
	683 467	**293 613**

10. Sales costs

	2021	2020
Cost of services rendered	108 622	202 635
Bloomberg terminal cost	23 043	25 835
	131 665	**228 470**

11. Operating expenses

	2021	2020
Salaries costs	346 083	212 188
Legal and consultancy costs	48 047	62 237
IT and other expenses	31 922	47 568
Depreciation and amortisation costs for fixed assets	3 070	891
Audit costs	5 500	5 500
Tax expense	31 398	41 480
Other costs	84 487	64 286
Total	**555 507**	**434 150**

12. Financial and other operating income and expenses

Financial activities

	2021	2020
Income	**11 633**	**3 203**
Discounting of the lease obligation	4 782	3 203
Positive effect of exchange rates	6 851	
Costs	**4 851**	**123 294**

Negative impact of exchange rates		123 294
Amortisation of rental rights	4 851	

Other activities

	2021	2020
Income	**7 961**	**0**
Decrease in holiday reserve (accruals)	1 162	0
Other operating income	6 799	

13. Income tax

	2021	2020
Deferred income tax assets deducted	-4 765	73 222
Income tax	-1 642	
	-6 407	**73 222**

14. Profit (loss) per 1 share

In 2020, the Company's shareholders paid dividends of EUR 1,980,000 in the amount of EUR 16.50 per 1 share. On 31.12.2020, EUR 86,856 of dividends remained unpaid.

Earnings (loss) per 1 share

	2021	2020
Net profit (loss)	9 631	(415 876)
Weighted average number of ordinary shares, pcs	120 000	120 000
Net profit (loss) per share	0,0803	-3,47

15. Financial risk and capital management

Credit risk

The Company shall take measures to ensure on an ongoing basis that transactions are concluded with trusted customers and that the amount of transactions does not exceed the approved credit risk limit. The Company does not provide guarantees for the obligations of other parties. The highest credit risk shall be the carrying amount of each unit of financial asset, including derivatives in the statement of financial position, if any. Therefore, the management of the Company considers that the maximum risk is equal to the amount of receivables and loans granted and the amount of money in the bank. Low-risk transactions are considered to be reliable: receivables from customers whose securities and money are managed by the Company, stable activity, money in the bank is in trusted EU banks. Higher risk refers to transactions where losses have already occurred, the risk identified is higher, monetary funds in banks with lower ratings. Unclassified risk is those exposures that do not have any credit assessment.

31 December 2020	Low risk (1-3)	Higher risk (4-5)	Not classified	Total
Asset class				
Funds in banks	101 670	-	-	101 670
Trade and other accounts receivable	229 726			229 726
Total	**331 396**	**0**	**0**	**331 396**

31 December 2021	Low risk (1-3)	Higher risk (4-5)	Not classified	Total
Asset class				
Funds in banks	153 296	-	-	153 296
Trade and other accounts receivable	168 248			168 248
Total	**321 544**	**0**	**0**	**321 544**

Interest rate risk

As at 31 December 2021 and 31 December 2020 the Company had any loans from financial institutions.

The Company did not have any financial means to manage the risk of interest rate fluctuations.

Operational risk

Operational risk means the risk of direct and indirect losses due to inadequate or unimplemented internal control processes, errors and/or unlawful actions of staff and malfunctioning of information systems and technologies, or due to the influence of external factors.

Operational risk management is carried out by implementing the internal control function, establishing procedures limiting the possible occurrence of unforeseen risks, prohibiting the Company's premises, at Gedimino pr.20 , Vilnius, assessing the acceptability or inadmissibility of the services provided by the Company, performing the functions of costing management of products and services and redistribution of internal resources, analyzing the processes and procedures taking place in the Company, identifying the risk fields and assessing their control Availability.

Liquidity risk and compliance with capital adequacy requirements

The Company's policy is to maintain a sufficient amount of cash and cash equivalents or to secure financing through an appropriate number of credit lines or other borrowing instruments in order to meet its obligations under its plans. The Law on Companies of the Republic of Lithuania requires that the Company's equity capital amount to at least 50% of its share capital, which consists of share capital and share premiums. The minimum capital requirement is EUR 150,000 for category B financial brokerage firms.

	31.12.2021	12.31.2020
Liquid assets		
Funds in banks	153 296	101 670
Trade and other accounts receivable	168 248	226 135
Advances paid	0	3 591
Liquid financial assets		
Total liquid assets	**321 544**	**331 396**
Current liabilities	**168 399**	**194 602**
Liquidity ratio, %	**190,94%**	**170,29%**

Foreign exchange risk

The main foreign exchange risk faced by the Company arises when the Company makes transactions in foreign currency and has an open position in certain foreign currencies.

The Company uses the euro-foreign exchange relations established under the Law on Accounting established by the Bank of Lithuania under the Law on Accounting for the recalculation of foreign currencies.

The Company's policy is to reconcile cash flows from highly probable future transactions in each foreign currency. The Company's overall open position in foreign currencies represents a relatively insignificant part and therefore no sensitivity analysis is carried out due to its low significance.

The Company does not use any financial instruments that help to manage foreign exchange risk.

Internal control

The Board of the Company approved the rules for the organization and execution of internal control of activities on 19-02-2010.

The Management shall ensure that appropriate organisational measures, procedures and information systems in support of business processes are implemented, all of which must ensure the implementation of an adequate internal control system.

Client funds (30 VT) are accounted for in the Francina program, in macte Invest Wealth management's own program, ensuring high-end security. The following key elements of internal control are mentioned: reconciliation of data on transactions carried out in primary systems with transaction data in the accounting system, separation of functions, daily accounting, market valuation, limits and their control, other control measures.

Money Laundering and Terrorist Financing Prevention

The Company executes all the procedures provided for in the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania in accordance with the procedure of implementation of the Company's Measures to Prevent Money Laundering and Terrorist Financing: Identification of the Customer; identification of the beneficiary; provision of information to the FCIS; identification, suspension and recording of suspicious monetary transactions and transactions; information protection; implementation of international sanctions.

The Head of the Company organizes the implementation of the procedure of measures to prevent money laundering and terrorist financing in the Company. The Head of the Company is responsible for regularly updating the list of entities subject to financial sanctions, submitting notifications to the Ministry of Foreign Affairs of the Republic of Lithuania and the Bank of Lithuania, as well as tracking the information notices of the Ministry of Foreign Affairs of the Republic of Lithuania on the entry into force of international sanctions.

16. Off-balance sheet statement (unaudited)

	31.12.2021	31.12.2020
Assets of clients under the control of trust, of which	**259 130 249**	**79 012 951**
1. Client's cash	9 606 114	17 875 716
2. Financial instruments purchased on behalf of the clients	249 524 135	61 137 235

17. Off-balance-sheet liabilities and uncertainties

The tax administration may at any time verify accounting, transactional and other documents, accounting records and tax returns for the current and previous 3 calendar years and, where appropriate, for the current and 5 or 10 previous calendar years, and calculate additional taxes and penalties. The management of the Company is not aware of any circumstances that could lead to a potential significant liability for unpaid taxes.

18. Related party transactions

During the year ended 31 December 2021, the Company's managers were charged EUR 58,439 (2020: EUR 46,352) in salaries.

During 2021 and 2020 there were no share-based payments, unpaid transferred assets or loans to the Company's executives.

19. Post-balance-sheet events and business continuity

The COVID-19 pandemic did not have a significant impact on the activities and results of the Company.

There were no other significant events after the date of the financial statement of position in the Company.

Director Grigorij Grdzelišvili

Chief Accountant, Director of UAB "Added Value" Arvydas Vainoras,

18.03.2022

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