JSC "IMPACT CAPITAL"

Financial Statements for 2021

CONTENTS

JSC "IMPACT CAPITAL"

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2021

(Amounts expressed in thousands of US dollars, except as otherwise stated)

	Year/period ended 31 December		
	Note	**2021**	**2020**
		USD* ths	**USD* ths**
Gain on investments held at fair value through profit or loss	9	6 169	1 407
Other income	10	790	113
Operating, general and administrative expenses	11	(1 207)	(328)
Finance costs	12	(105)	(129)
Finance income	12	63	1
Profit/(loss) before tax		**5 711**	**1 064**
Income taxes	13	(1 137)	(238)
Profit/(loss) after tax		**4 574**	**826**
		-	-
Other comprehensive expense/(income) for the period		(49)	(70)
Total comprehensive income for the period		**4 526**	**756**

JSC "IMPACT CAPITAL"

STATEMENT OF FINANCIAL POSITION

As of December 31, 2021

(Amounts expressed in thousands of US dollars, except as otherwise stated)

	Note	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	14	95	153
Intangible assets		42	5
Convertible loan	15	404	-
Loans given	16	-	96
Total non-current assets		**540**	**253**
Current assets		-	-
Cash and cash equivalents		638	140
Balances due from brokers		835	143
Investments held at FVTPL	17	10 033	3 860
Income tax prepaid		16	130
Loans given	16	489	157
Trade and other recievables		222	16
Total current assets		**12 232**	**4 447**
Total assets		**12 772**	**4 700**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	16	16
Share premium	18	270	270
Reserves	18	299	532
Foreign currency translation		(109)	(61)
Retained earnings		5 654	1 055
Total equity		**6 130**	**1 812**
Non-current liabilities		-	-
Loans and borrowings	19	-	2 376
Finance lease liabilities		19	74
Deferred tax liabilities		1 287	330
Total non-current liabilities		**3 969**	**2 780**
Current liabilities			
Loans and borrowings	19	3 731	73
Finance lease liabilities		36	14
Trade and other payables		171	22
Payable for shares to be issued	20	1 400	-
Total current liabilities		**2 673**	**109**
Total liabilities		**6 642**	**2 888**
Total equity and liabilities		**12 772**	**4 700**

JSC "IMPACT CAPITAL"

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021

(Amounts expressed in thousands of US dollars, except as otherwise stated)

	Share capital	Share premium	Other reserves	Foreign currency translation	Retained earnings	Total
Balance at 31 December 2019	**16**	**-**	**22**	**9**	**229**	**276**
Profit for the year	-	-	-	-	826	826
Other comprehensive loss for the period				(70)		(70)
Total comprehensive income for the period	**-**	**-**	**-**	**(70)**	**826**	**756**
Share issue	0	270				270
Contribution by the Shareholder			240			240
Equity element of convertible loans reserve			270			270
	0	270	510	-	-	780
Balance at 31 December 2020	**16**	**270**	**532**	**(61)**	**1 055**	**1 812**
Profit for the year	-	-	-	-	4 574	4 574
Other comprehensive income for the period	-	-	-	(49)	-	(49)
Total comprehensive income for the period	**-**	**-**	**-**	**(49)**	**4 574**	**4 526**
Non cash contributions to share capital disposal	-	-	(26)	-	26	-
Legally required reserves	-	-	1	-	(1)	-
Equity element of convertible loans reserve	-	-	(208)	-	0	(208)
	-	**-**	**(233)**	**-**	**26**	**(208)**
Balance at 31 December 2021	**16**	**270**	**299**	**(109)**	**5 655**	**6 130**

JSC "IMPACT CAPITAL"

STATEMENT OF CHANGES IN CASH FLOW

For the year ended December 31, 2021

(Amounts expressed in thousands of US dollars, except as otherwise stated)

	Note	Financial year ended December 2021	Financial year ended December 2020
Cash flows from operating activities			
Net profit for the year		**5 711**	**1 064**
Adjustments for:			
Finance income		(63)	(1)
Finance costs	12	109	129
Expected credit losses allowance	16	136	-
Depreciation	14	64	29
Fair value changes in financial assets at fair value through profit or loss, non-realized		(3 328)	(981)
Currency exchange gain, net		4	(49)
		2 633	**191**
Changes in working capital:			-
Accounts receivable		(1 231)	(184)
Accounts payable		422	29
Net cash flows used in operating activities		**1 824**	**37**
Finance costs paid		(19)	(35)
Income tax paid		(153)	(157)
Net cash flows provided by/(used in) operating activities		**1 652**	**(191)**
Cash flows from investing activities			
Purchase of equity investments		(2 608)	(2 375)
Provision of convertible loan	15	(404)	
Loans given		(523)	(257)
Loans settled		167	66
Payments for purchases of plant and equipment		(7)	(71)
Payments for purchases of intangible assets		(37)	(5)
Sale of equity investments		196	19
Net cash used in investing activities		**(3 216)**	**(2 623)**
Cash flows from financing activities			
Proceeds from issuance of shares	20	1 400	-
Proceeds from borrowings		2 032	2 612
Payments of lease liabilities		(43)	(33)
Dividend recieved		121	129
Net cash provided by financing activities		**2 067**	**2 708**
			-
Net change in cash and cash equivalents		**503**	**(106)**
Cash and cash equivalents at the beginning of the financial period/year		140	247
Effect of foreign currency translation on cash and cash equivalents		(5)	(1)
Cash and cash equivalents at the end of financial period/year		638	140

1. General corporate information

JSC "IMPACT CAPITAL" (“the Company”) is a joint stock company. The Company’s registered office is at st. Antonova-Ovseenko, 15, bldg. 2, Moscow, Russia. The Company was established for the purpose of identifying and investing in fast-growing companies and undervalued assets, earning dividends from portfolio companies and the sale of assets after their value increases.

The controlling shareholder of the Company is Valery Zolotukhin.

1.1 Going concern

After due and careful enquiries, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. This expectation is based on a review of the Companies existing financial resources, its present and expected future commitments in terms of its overheads and running costs; and its commitments to its existing investments. Accordingly, the Directors have adopted the going concern basis in preparing the Company’s financial statements.

2 **Basis of preparation of the financial statements**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). They were authorized for issue by the Company’s Chief Executive officer on 05.05.2022.

3 Functional and presentation currency

The Company maintains its accounting records in Russian roubles (“RUB”) and prepares its statutory financial statements in accordance with the Regulations on Accounting and Reporting of the Russian Federation. The statutory financial statements have been adjusted to present these financial statements in accordance with IFRS.

The financial statements have been prepared on a historical cost except as for Investment in equity instruments which have been measured at fair value.

The functional currency the Company is the Russian rouble (“RUB”). The presentation currency of the financial statements is the United States of America dollar (“USD”) as it is considered by the Directors a more relevant presentation currency for international users of the financial statements of the Company.

The translation from functional currency into presentation currency is made as follows:

- Assets and liabilities for the of financial position presented are translated at the closing rate at the date of that of financial position;
- Income and expenses for the statement of comprehensive income presented are translated at the average exchange rates for the periods presented (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- All resulting exchange differences are recognized in other comprehensive income;
- All items included in the statement of changes in equity, other than net profit for the period, are translated at historical exchange rates;
- In the cash flow statement, cash balances at the beginning and end of each period presented are translated at exchange rates at the respective dates of the beginning and end of each period. All cash flows are translated at the average exchange rates for the periods presented.

The RUB is not a freely convertible currency outside the Russian Federation and, accordingly, any translation of RUB denominated assets and liabilities into USD for the purpose of these financial statements does not imply that the Company could or will in the future realize or settle in USD the translated values of these assets and liabilities.

(Amounts expressed in thousands of US dollars, except as otherwise stated)

The following USD/RUB ex-rates were used during preparation of the financial statements:

	2021	2020
As of 31 December	74,29	73,87
Average for the period	73,65	72,15

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4 Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS requires the management to exercise judgement in the process of applying the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial period/year. Although these estimates are based on the management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the financial period/year in which the estimate is revised if the revision affects only that financial period/year, or in the financial period/year of the revision and future financial years if the revision affects both current and future financial period/years. Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 8.1 "Valuation techniques for specific equity instruments", 16 "Loans given" and 19 "Loans and borrowings".

5 Changes in significant accounting policies

The Company has consistently applied the accounting policies as set out in Note 6 to all periods presented in these financial statements.

New standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following IFRS that are relevant to the Company were issued but not yet effective, and have not been adopted early in these financial statements:

	Effective date (annual periods beginning on or after)
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	01 Jan 2022
Annual Improvements to IFRS Standards 2018-2020	01 Jan 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	01 Jan 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	01 Jan 2022
IFRS 17 Insurance Contracts	01 Jan 2023
Classification of liabilities as current or non-current (Amendments to IAS 1)	01 Jan 2023
Amendments to IFRS 17	01 Jan 2023
Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)	01 Jan 2023

The Company does not expect that the adoption of these standards will have a material impact on the Company's financial statements in future periods.

6 Summary of significant accounting policies

Interest

Interest income and expense presented in the profit or loss comprise interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis. The 'effective interest rate' is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

Income from equity instruments at FVTPL

Income from equity financial instruments at FVTPL includes all realised and unrealised fair value changes, foreign exchange differences, interest and dividend income. Dividend income is recognised in profit or loss on the date on which the right to receive payment is established.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss.

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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 of the Company are measured at FVTPL.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models.

Held-to-collect business model: this includes cash and cash equivalents, balances due from brokers, loans given to related and third parties and receivables. These financial assets are held to collect contractual cash flow.

Other business model includes equity investments without significant influence. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

For the purposes of the assessment whether contractual cash flows are SPPI, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

– contingent events that would change the amount or timing of cash flows;

– leverage features;

– prepayment and extension features;

– terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and

– features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Impairment of financial assets

The entity regularly reviews its financial assets to assess for impairment. The entity uses management's judgement to estimate allowance for Expected Credit Losses (ECL) for financial assets at amortised cost. ECL are measured in a way that reflects the unbiased and probability-weighted amount, the time-value of money and reasonable and supportable information at the reporting date pertaining to past events, current conditions and forecasts of future economic conditions.

ECL are measured as probability-weighted present value of all cash shortfalls over the expected life of each financial asset. For receivables from financial services, ECL are mainly calculated using a statistical model based on three major risk parameters: probability of default, loss given default and exposure of default.

The estimation of these risk parameters incorporates all available relevant information, not only historical and current loss data, but also reasonable and supportable forward-looking information reflected by the future expectation factors. This information includes macroeconomic factors (unemployment rate, inflation rate) and forecasts of future economic conditions. Significant changes in risk parameters could affect the estimated amount of ECL.

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

This includes balances due to brokers, payables under sale and purchase agreements and loans received.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Investments in associates
In accordance with the exemption in IAS 28 Investments in Associates and Joint Ventures, the Company does not account for its investments in associates using the equity method. Instead, the Company has elected to measure its investments in associates at FVPL.

Plant and equipment

Plant and equipment are all stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the plant and equipment, the expenditure is capitalised as an additional cost of that asset. Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred. Leasehold improvements are capitalised when it is probable that future economic benefits associated with the improvements will flow to the Company and the cost can be measured reliably.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.
Depreciation is provided to write off the cost of plant and equipment, using the straight-line method, over their useful lives. The principal annual rates are as follows:

	Years
Office equipment	3
Right-of-use assets	3
Leasehold improvements	3

The residual values, useful lives and depreciation method are reviewed at each financial period/year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. Fully depreciated assets still in use are retained in the financial statements.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment'.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of new ordinary shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration

7 Financial risk review

This note presents information about the Company's exposure to each of the financial risks. For information on the Company's financial risk management framework, Note 23.

Credit quality analysis

Cash and cash equivalents
The cash and cash equivalents are held with the bank, which is rated BB+/B, based on "S&P Global Ratings" ratings.

Balances due from brokers
Balances due from brokers represent margin accounts, cash collateral for borrowed securities and sales transactions awaiting settlement. Credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used. As at the reporting date, the balances due from brokers were concentrated among one broker whose credit rating was B2, based on "Moody's" ratings. The investment manager monitors the financial position of the brokers on a quarterly basis.

Loans granted

(Amounts expressed in thousands of US dollars, except as otherwise stated)

Loans granted consist of loans granted to related and third parties of the Company. Each material transaction is subject to specific consideration by the management of the Company on a case by case basis. The majority of the Company's loans granted are represented by loans issued to the Investees (See Note 16) to maximise returns from Investees.

At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

For the definition of liquidity risk and information on how liquidity risk managed, see Note 23.

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Year ended 31 December 2021	**<1 year**	**1-2 years**	**2-3 years**	**3-4 years**
Loans and borrowings	3 731	-	-	-
Trade and other payables	170	-	-	-
Minimum lease payments	36	19	-	-
	3 936	19	-	-

Year ended 31 December 2020	**<1 year**	**1-2 years**	**2-3 years**	**3-4 years**
Loans and borrowings	72	858	1 456	47
Trade and other payables	21	-	-	-
Minimum lease payments	14	74	-	-
	107	932	1 456	47

Interest rate risk

The Company's interest-bearing financial instruments are at fixed rate only.

Currency risk

The Company has minimal exposure to currency risk as at reporting dates. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		**Assets**	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
USD	(133)	-	452	3

(Amounts expressed in thousands of US dollars, except as otherwise stated)

Market risk

The Company's equity investments are concentrated in the following industries:

	Year ended 31 December	
	2021 %	**2020 %**
	2021	**2020**
Banks/financial services	12	38
Consumer Cyclical	32	18
FoodTech	12	17
Communication Services	-	12
Mining	4	5
Energy	16	3
Oil and gas (refining)	4	2
EdTech	4	2
IT	8	1
E-comerce	8	1
Other	-	1
	100	100

8 Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, The Company determines fair values using other valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(Amounts expressed in thousands of US dollars, except as otherwise stated)

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

8.1 Valuation techniques for specific equity instruments

Listed equity instruments

Listed equity instruments for which quoted prices in an active market for an identical instrument are available are valued using those prices (Level 1 measurement).

Investment in unquoted equity instrument of Dodo Pizza

Dodo Pizza equity instrument is valued based on brokers' quotes of unregulated unofficial market channel in Telegram and that reflect actual current market transactions (Level 2 measurement).

Unlisted equity instruments

When the fair values fair value of the unlisted private equity investments of operating business cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of items in the statement of financial position and the level where the items are disclosed in the fair value hierarchy. The models are tested for validity by calibrating to prices from any observable current market transactions in the same item (without modification or repackaging) when available. To assess the significance of a particular input to the entire measurement, the Entity performs sensitivity analysis or stress testing techniques. The fair value of the unlisted private equity investments of greenfield business is determined applying the adjusted net assets method (see Note 8.2).

The table below analyses financial instruments carried at fair value, by valuation method:

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment in quoted equity instruments, at fair value	4 378	-	-	4 378
Investment in unquoted equity of Dodo Pizza, at fair value	-	510	-	510
Investment in unquoted equity instruments at fair value	-	-	5 144	5 144
	4 378	510	5 144	10 033

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment in quoted equity instruments, at fair value	2 535	-	-	2 535
Investment in unquoted equity of Dodo Pizza, at fair value	-	282	-	282
Investment in unquoted equity instruments at fair value	-	-	1 043	1 043
	2 535	282	1 043	3 860

(Amounts expressed in thousands of US dollars, except as otherwise stated)

8.2 Significant unobservable inputs used in measuring fair value

Financial assets	Valuation technique used	Significant inputs	Inter-relationship between key unobservable inputs and fair value
31 December 2021			
Investment in unquoted equity instruments of Russian entities - Operating business	Comparable company analysis	Enterprise Value ("EV") per a Revenue multiple of 15x Enterprise Value ("EV") per a P/E multiple of 100x	The estimated fair value would increase if revenue of P/E multiples were higher
Investment in unquoted equity instruments of Russian entities -Greenfield business	Adjusted net assets method	Last available observable financial statements	The estimated fair value would increase if adjustments were lower
Recently performed investment in unquoted equity instruments	Cost approach	Last financing round	The estimated fair value would increase if financing round value has increased
31 December 2020			
Investment in unquoted equity instruments of Russian entities - Operating business	Comparable company analysis	Enterprise Value ("EV") per a last month Revenue multiple of 24x -31x	The estimated fair value would increase if revenue multiples were higher
Investment in unquoted equity instruments of Russian entities -Greenfield business	Adjusted net assets method	Last available observable financial statements	The estimated fair value would increase if adjustments were lower

9 Gain on investments held at fair value through profit or loss

	Year ended 31 December	
	2021	**2020**
Gain on investment in quoted equity instruments	2 725	481
Gain on investment in unquoted equity instrument (Dodo Pizza)	257	44
Gain on investment in unquoted equity instruments	3 070	705
Currency exchange gain	(4)	49
Investment income	121	129
	6 169	1 407

10 Other income

	Year ended 31 December	
	2021	**2020**
Agent fees	656	-
Advisory fees income	66	101
Other	67	12
	790	113

(Amounts expressed in thousands of US dollars, except as otherwise stated)

11 Operating, general and administrative expenses

	Year ended 31 December	
	2021	**2020**
Wages, salaries	(421)	(89)
Marketing & business events	(216)	(65)
Allowance for expected credit losses	(171)	-
Depreciation	(84)	(29)
Social security costs	(68)	(24)
Gratuitous contribution to investee	(49)	-
Consulting services	(44)	(17)
Legal	(26)	(13)
Bank charges	(18)	(14)
Broker's fees	(12)	(30)
Other	(96)	(48)
	(1 207)	(328)

12 Finance costs

	Year ended 31 December	
	2021	**2020**
Finance costs	(68)	(48)
Interest expense calculated using the effective interest method	(32)	(76)
Interest expense on lease payable	(5)	(5)
	(105)	(129)

13 Income taxes

	Year ended 31 December	
	2021	**2020**
Current income tax expense	(117)	(5)
Deferred Income Tax Expense	(1 019)	(214)
Other	(0)	-
Unified simplified tax	-	(19)
	(1 137)	(238)

The Company used applied to small businesses the first quarter of 2020. Unified simplified tax was levied on profit before tax at 15 percent. In the remaining part of 2020 and 2021, the corporate tax rate of 20% payable by corporate entities in the Russia on taxable profits (as defined) under tax law was applied.

(Amounts expressed in thousands of US dollars, except as otherwise stated)

13.1 Movement in deferred tax balances

2021	Net balance at 1 January	Recognised in profit or loss	Recognised directly in equity	Translation to presentation currency	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(5)	(1)	-	(0)	(7)	11	(18)
Intangible assets	(1)	0	-	(0)	(0)	-	(0)
Investments at FVPL	(266)	(1 032)	-	(10)	(1 288)	2	(1 290)
Loans given	9	18	-	0	27	27	-
Loans and borrowings	(66)	-	47	0	(19)	-	(19)
Tax assets (liabilities) before set-off	(330)	(1 014)	47	(10)	(1 287)	40	(1 327)
Set-off of tax	-	-	-	-	-	(40)	40
Net tax liabilities	(330)	(1 014)	47	(10)	(1 287)	-	(1 287)
	-						

2020	Net balance at 1 January	Recognised in profit or loss	Recognised directly in equity	Translation to presentation currency	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-	(6)		(0)	(5)	11	(16)
Intangible assets	-	(1)		(0)	(1)	-	(1)
Investments at FVPL	(59)	(222)		(15)	(266)	9	(275)
Loans given	-	9		0	9	9	-
Loans and borrowings	(6)	-	(63)	(2)	(66)	-	(66)
Tax assets (liabilities) before set-off	-	(219)	(63)	48	(330)	29	(358)
Set-off of tax	-	-		29	-	(29)	29
Net tax liabilities	(65)	(219)	(63)	76	(330)	-	(330)

(Amounts expressed in thousands of US dollars, except as otherwise stated)

14 Plant and equipment

	Office equipment	Right-of-use assets	Leasehold improvements	Total
Cost				
Balance at 1 January 2021	35	114	36	185
Additions	7	-	-	7
Translation to presentation currency	(1)	(3)	(1)	(5)
Balance at 31 December 2021	**41**	**111**	**35**	**187**
Depreciation				
Balance at 1 January 2021	(6)	(21)	(6)	(33)
Depreciation charge	(15)	(37)	(12)	(64)
Translation to presentation currency	1	3	1	5
Balance at 31 December 2021	(19)	(55)	(17)	(92)
Carryring amounts				
Balance at 1 January 2021	**29**	**93**	**30**	**152**
Balance at 31 December 2021	**21**	**55**	**18**	**95**

15 Convertible loan

The Company holds USD 404 thousands (2020: nil) in convertible loan denominated in RUB. The convertible loan can be converted at any time from March 31, 2022. Upon the full conversion of the convertible loan, the converted shares will represent 3.5% of the enlarged share capital of Omnik, LLC (Russia) immediately after the completion of issuance of new shares.

The terms of the loan agreement failed the SPPI criterion, so that the loan is recognised as financial asset at fair value through profit or loss (“FVPL”). The fair value of the convertible loan is a level 3 fair value measurement.

The enterprise value of Omnik, LLC was determined by applying the comparable company analysis based on a number of comparable companies in similar business nature of Omnik, LLC and adjusted with the discount for lack of marketability of 25%. At 31 December 2021, the fair value of convertible loan receivable was approximate to its carrying amount.

On April 14, 2022 Impact Capital JSC filed a conversion request to Omnik LLC (see Note 24).

(Amounts expressed in thousands of US dollars, except as otherwise stated)

16 Loans given

		Year ended 31 December	
	%	2021	2020
Non-current			
Loans to investees (20-50% of share capital)	0%	-	40
Loans to investees (6-17% of share capital)	0%	-	56
		-	96
Current			
Current part on long-term loans to investees (6-17% of share capital)	0%	17	-
Loans to investees (6-17% of share capital)	0%	137	-
Loans to investees (6-17% of share capital)	24-25%	67	139
Loans to investees (20-50% of share capital)	0%	347	-
Loans to investees (20-50% of share capital)	12%	34	14
Loans to investees (20-50% of share capital)	24-25%	5	5
Interest recievable		17	-
Allowance for expected credit losses		(135)	-
		489	157
		489	253

The non-interest-bearing loans to Investees is measured at amortised cost. The interest expensed for the year is calculated by applying an effective interest rate of 12 %. The difference between the carrying amount of the loan at the date of issue and the amount reported represents the effective interest rate less interest paid to that date.

Presentation of allowance for expected credit losses in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The movements in the allowance for expected credit losses of loans given were as follows:

	Year ended 31 December	
	2021	**2020**
Balance at 1 January	-	-
Charge for the year	(135)	-
Loans written off	-	-
Balance at 31 December	**(135)**	**-**

17 Investments held at fair value through profit or loss

	Year ended 31 December	
	2021	**2020**
Investment in quoted equity instruments, at fair value	4 378	2 535
Investment in unquoted equity of Dodo Pizza, at fair value	510	282
Investment in unquoted equity instruments of Russian entities, at fair value	5 144	1 043
	10 033	3 860

17.1 Associates

The Company has elected to measure its investments in associates at FVPL, see Note 6.

The following is a list of the Company's associates and the effective ownership holdings therein:

Company	31 December 2021	2020	Location	Activity
IF kids LLC	30%	0%	Russia	Additional education for children and adults
Batutniy centr LLC	23%	0%	Russia	Trampoline playground
Ranks LLC	23%	0%	Russia	Computer software development
Yoghurt shop LLC	50%	50%	Russia	Production of live fermented milk products
Olga LLC	24%	24%	Russia	Developing of entertainment park
Technored LLC	15%	20%	Russia	Industrial automation and robots
Afanasievskiy market LLC	0%	22%	Russia	Shopping and entertainment center

18 Capital and reserves

A. Share capital

in thousands of shares	Year ended 31 December 2021	2020
In issue at 1 January	1 010	1 000
Issued at 20 April 2020	-	10
In issue at 31 December (fully paid)	1 010	1 010
Authorised – par value	990	990

All ordinary shares have par value of 1RUB and rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

The new ordinary shares issued in 2020 ranked pari passu in all respects with the existing ordinary shares of the Company.

The Company has increased the authorized capital of the Company by placing additional 40 000 ordinary shares par value of 1RUB in January 2022, see Note 24.

B. Equity element of convertible loans reserve

	Year ended 31 December 2021	2020
Balance at 1 January	289	19
Recognition of equity component of convertible loans (see note 19)	(189)	337
Deferred tax liability arising on recognition of equity component of convertible loans	(19)	(67)
Balance at 31 December	81	289

This reserve represents the equity component of convertible debt instruments (see note 19).

(Amounts expressed in thousands of US dollars, except as otherwise stated)

C. Contribution by the shareholder reserve
The reserve represents irrevocable capital contribution made by the founder of the Company, Valery Zolotukhin, on 13 April 2020 in the form of the equity instruments of Dodo Pizza (see note 17), which was made to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business of the Company. Decrease of USD 26 thousands (2020: nil) was attributable to disposal of several shares.

19 Loans and borrowing

	Year ended 31 December	
	2021	**2020**
Non-current		
Unsecured interest-free convertible loans with the controlling shareholder	-	795
Unsecured convertible loans with individuals	-	1 581
	-	2 376
Current		
Loan from a broker RUB denominated (Central bank of Russia rate +1,5%)	512	-
Loan from a broker USD denominated (3%)	103	-
Loan from a broker (REPO, fixed rate 7%)	-	64
Current part of long-term unsecured interest-free convertible loans with the controlling shareholder	2 856	-
Current part of long-term unsecured convertible loans with individuals	259	-
Interest payable	-	9
	3 731	73
	3 731	**2 448**

The convertible loans are convertible into ordinary shares of the Company at any time between the date of issue of the loans and their settlement date. The conversion price is at RUB 1 499 or RUB 1 899 premium to the par value of the ordinary shares.

If the notes have not been converted, they will be redeemed on their settlement date at par. Interest of 0-5,5% will be paid annually up until that settlement date.

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the Company.

The equity component of USD 189 thousands has been debited to the equity element of convertible loans reserve (2019: USD 337 thousands has been credited to the equity), see note 18.

The interest expensed for the year is calculated by applying an effective interest rate of 8% per cent to the liability component for period since the loan notes were issued. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the reporting at 31 December 2021 and 31 December 2020 represents the effective interest rate less interest paid to that date.

Information about the Company’s exposure to interest rate, foreign currency and liquidity risks is included in Note 7.

(Amounts expressed in thousands of US dollars, except as otherwise stated)

20 Lease liabilities

	Year ended 31 December	
	2021	**2020**
Minimum lease payments, including:		
Less than 1	36	14
From 1 to 3 years	19	74
	54	89
Less amount representing interest	(13)	(13)

The Company assesses whether a contract is or contains a lease at inception of a contract. the Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements which conveys the right to control the use of identified assets for a period of time in exchange for consideration The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. When calculating the present value of the lease payments the Company uses the incremental borrowing rate of 8%.
Information about net book value of right-of-use assets is included in Note 14.
Information about interest expense on lease payable is included in Note 12.

21 Payable for shares to be issued

For the details of the payable for the shares to be issued in the amount of USD 1 400 thousands, see Note 24.

22 Significant related party disclosures

For the purposes of these financial statements, parties are considered to be related to the Company if the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. During the current financial period, in addition to the information disclosed elsewhere in these financial statements, there was no other significant transactions with related parties.

Compensation of key management personnel
The Chief Executive officer of the Company received the remuneration of USD 49 thousands in the year (2020: USD 19 thousands).

23 Financial risk management

The Company has exposure to the following risks from financial instruments:

– credit risk;

– liquidity risk;

– market risks.

This note presents information about the Company’s objectives, policies and processes for measuring and managing risk, and the Company’s management of capital.

The Company invests in financial instruments in accordance with its investment management strategy. The Company’s investment portfolio comprises listed and unlisted equity securities, financial instruments and investments in associates. The Company’s Chief Executive officer has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s risk management policies are established to identify and analyse the risks faced by the Company and to set appropriate controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

Credit risk

‘Credit risk’ is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from loans given, cash and cash equivalents, balances due from brokers and equity investments. For risk management reporting purposes, the Company considers and aggregates all elements of credit risk exposure (such as individual obligor default risk, and sector risk).

The Company’s policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set by the Company.

Credit risk exposure on the investment portfolio is managed on an asset-specific basis by the Risk Manager and reviewed by the Investment Committee and by the Chief Executive officer on a monthly basis.

The Company’s activities may give rise to settlement risk. ‘Settlement risk’ is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Company mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Interest rate risk

The Company’s exposure to changes in interest rates relates primarily to its interest-bearing borrowings. The Company’s fixed rate financial assets and liabilities are exposed to a risk of change in their fair value due to changes in interest rates. The Company does not enter into derivative financial instruments to hedge against its exposure to interest rate risk.

Currency risk

The Company is not directly exposed to any material currency risk.

Market price risk

‘Other market price risk’ is the risk that the fair value of the financial instrument will fluctuate as aresult of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

Price risk is managed by the Chief Executive officer by diversifying the portfolio.

24 Subsequent events

In November 2021 the Company made a decision to increase the authorized capital of the Company by placing additional 40 000 ordinary shares par value of 1RUB ranked pari passu in all respects with the existing ordinary shares of the Company. The placement of shares was carried out via investors registered on the platform "Investment Compass" on the Internet site www.in-ko.ru with share placement price USD 35 per share (2 600 RUB). The corresponding amendments to the Charter of the Company and its state registration was finalized on January 14, 2022. The payable for the shares to be issued in the amount of USD 1 400 thousands was recorded as at the year ended 31 December 2021 as the shares were fully paid.

In January 2022, the Company purchased 10% of share capital of Uspenskoe LLC for the amount of USD 538.

In April 2021, the Central Bank of Russia refused to register the issue of 24 391 shares of the Company. The loans that were converted into shares on 09.10.2020 were adjusted back and the issue results were cancelled. The Company had several court hearings with the Central bank of Russia during 2021 and lost the case. The filed Appeal against the decision of the Moscow Arbitration Court was not satisfied on February 9, 2022.

In February 2022, certain countries announced new packages of sanctions against the public debt of the Russian Federation and a number of Russian banks. Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the Euro. The Company regards these events as non-adjusting events after the reporting period, the quantitative effect of which cannot be estimated at the moment with a sufficient degree of confidence.

In March 2022 the Company has received accreditation as an IT company and has been included in the relevant register of the Ministry of Digital Development of the Russia.

On April 14, 2022 Impact Capital JSC filed a conversion request to increase the authorized capital of Omnik LLC in order to receive 3.5% (see Note 15).