

**JSC "IMPACT CAPITAL"**

Financial Statements for 2022

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JSC "IMPACT CAPITAL"  
**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended December 31, 2022

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

	<b>Note</b>	<b>Year ended 31 December</b>	
		<b>2022</b>	<b>2021</b>
Gain on private equity instruments at FVTPL	9	6 498	3 631
Loss/(gain) on quoted equity instruments at FVTPL	9	(2 492)	2 538
Other income	10	479	790
Operating, general and administrative expenses	11	(1 314)	(1 207)
Finance costs	12	(23)	(105)
Finance income		163	63
<b>Profit/(loss) before tax</b>		<b>3 312</b>	<b>5 711</b>
Income taxes	13	(778)	(1 137)
<b>Profit/(loss) after tax</b>		<b>2 534</b>	<b>4 574</b>
Other comprehensive expense/(income) for the period		242	(49)
<b>Total comprehensive income for the period</b>		<b>2 775</b>	<b>4 526</b>

**JSC "IMPACT CAPITAL"**  
**STATEMENT OF FINANCIAL POSITION**

As of December 31, 2022

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

	Note	31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		26	95
Intangible assets		23	42
Convertible loan	14	-	404
<b>Total non-current assets</b>		<b>49</b>	<b>540</b>
<b>Current assets</b>			
Loans given	15	1 387	489
Income tax prepaid		22	16
Other current assets		212	222
Private equity instruments at FVTPL	16	14 703	5 655
Quoted equity instruments at FVTPL	16	1 470	4 378
Balances due from brokers		193	835
Cash and cash equivalents		181	638
<b>Total current assets</b>		<b>18 167</b>	<b>12 232</b>
<b>Total assets</b>		<b>18 216</b>	<b>12 772</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	16	16
Share premium	17	1 787	270
Reserves	17	76	299
Foreign currency translation		132	(109)
Retained earnings		8 418	5 654
<b>Total equity</b>		<b>10 430</b>	<b>6 130</b>
<b>Non-current liabilities</b>			
Loans and borrowings	18	4 724	-
Finance lease liabilities	19	-	19
Deferred tax liabilities	13	2 095	1 287
<b>Total non-current liabilities</b>		<b>6 819</b>	<b>1 305</b>
<b>Current liabilities</b>			
Loans and borrowings	18	524	3 731
Finance lease liabilities	19	18	36
Trade and other payables		424	171
Payable for shares to be issued	20	-	1 400
<b>Total current liabilities</b>		<b>966</b>	<b>5 337</b>
<b>Total liabilities</b>		<b>7 786</b>	<b>6 642</b>
<b>Total equity and liabilities</b>		<b>18 216</b>	<b>12 772</b>

JSC "IMPACT CAPITAL"  
**STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31, 2022

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

	Share capital	Share premium	Other reserves	Foreign currency translation	Retained earnings	Total
<b>Balance at 31 December 2020</b>	<b>16</b>	<b>270</b>	<b>532</b>	<b>(61)</b>	<b>1 055</b>	<b>1 812</b>
Profit for the year	-	-	-	-	4 574	4 574
Other comprehensive income for the period	-	-	-	(49)	-	(49)
Total comprehensive income for the period	-	-	-	<b>(49)</b>	<b>4 574</b>	<b>4 526</b>
Non cash contributions to share capital disposal	-	-	(26)	-	26	-
Legally required reserves	-	-	1	-	(1)	-
Equity element of convertible loans reserve	-	-	(208)	-	0	(208)
<b>Balance at 31 December 2021</b>	<b>16</b>	<b>270</b>	<b>299</b>	<b>(109)</b>	<b>5 655</b>	<b>6 130</b>
Profit for the year	-	-	-	-	2 534	2 534
Other comprehensive income for the period	-	-	-	242	-	242
Total comprehensive income for the period	-	-	-	<b>242</b>	<b>2 534</b>	<b>2 775</b>
Non cash contributions to share capital disposal	-	-	(230)	-	230	-
Share capital issue	0	1 517	-	-	-	1 517
Legally required reserves	-	-	-	-	-	-
Equity element of convertible loans reserve	-	-	8	-	-	8
	-	<b>1 517</b>	<b>(222)</b>	-	<b>230</b>	<b>1 525</b>
<b>Balance at 31 December 2022</b>	<b>16</b>	<b>1 787</b>	<b>76</b>	<b>132</b>	<b>8 418</b>	<b>10 430</b>

**JSC "IMPACT CAPITAL"**  
**STATEMENT OF CHANGES IN CASH FLOW**

For the year ended December 31, 2022

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

	Note	Financial year ended December 2022	Financial year ended December 2021
<b>Cash flows from operating activities</b>			
<b>Net profit for the year</b>		<b>3 312</b>	<b>5 711</b>
Adjustments for:			-
Finance income		(163)	(63)
Finance costs	12	23	109
Expected credit losses allowance	16	40	136
Depreciation		76	64
Fair value changes in financial assets at FVTPL non-realized		(3 161)	(3 328)
Currency exchange gain, net		56	4
		<b>183</b>	<b>2 633</b>
<b>Changes in working capital:</b>			
Accounts receivable		505	(1 389)
Accounts payable		250	422
Other assets and liabilities		27	158
<b>Net cash flows used in operating activities</b>		<b>965</b>	<b>1 824</b>
Finance costs paid		(13)	(19)
Income tax paid		(27)	(153)
<b>Net cash flows provided by operating activities</b>		<b>924</b>	<b>1 652</b>
<b>Cash flows from investing activities</b>			
Purchase of equity investments		(2 349)	(2 608)
Proceeds from sale of investments		895	196
Provision of convertible loan	15	-	(407)
Interest received		37	-
Loans given		(1 714)	(520)
Loans settled		254	167
Payments for purchases of intangible assets and equipment		-	(44)
<b>Net cash used in investing activities</b>		<b>(2 877)</b>	<b>(3 216)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares	20	-	1 400
Proceeds from borrowings		2 269	2 032
Settlement of borrowings		(943)	(1 442)
Payments of lease liabilities		(44)	(43)
Dividend received	12	165	121
<b>Net cash provided by financing activities</b>		<b>1 447</b>	<b>2 067</b>
		-	-
<b>Net change in cash and cash equivalents</b>		<b>(506)</b>	<b>503</b>
Cash and cash equivalents at the beginning of the financial year		638	140
Effect of foreign currency translation on cash and cash equivalents		49	(5)
Cash and cash equivalents at the end of financial year		181	638

JSC "IMPACT CAPITAL"  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2022

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

**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 15.05.2022.

**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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2022

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

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.

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

	<u>2022</u>	<u>2021</u>
As of 31 December	70,33	74,29
Average for the year	68,54	73,65

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 18 "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:



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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2022

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	Effective date (annual periods beginning on or after)
Classification of liabilities as current or non-current (Amendments to IAS 1)	01 Jan 2023
Classification of liabilities as current or non-current – Deferral of Effective Date (Amendments to IAS 1)	01 Jan 2023
Lease liability in a Sale and Lease back (Amendments to IAS 16)	01 Jan 2024
Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice statement 2)	01 Jan 2023
Amendments to IAS 12 “Deferred tax relating to assets and liabilities arising from a single transaction”	01 Jan 2023
Amendments to IAS 8 “Definition of accounting estimates”	01 Jan 2023
Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)	01 Jan 2023
Non-current liabilities with covenants (Amendments to IAS 1)	01 Jan 2024

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.

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**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;

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- 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.

**JSC "IMPACT CAPITAL"**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2022

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

**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.

**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.

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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 given*

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 15) to maximise returns from Investees.

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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 22.

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

Year ended 31 December 2022	<b>&lt;1 year</b>	<b>1-2 years</b>
Loans and borrowings	524	4 724
Trade and other payables	424	-
Minimum lease payments	18	-
	<u>966</u>	<u>4 724</u>
Year ended 31 December 2021	<b>&lt;1 year</b>	<b>1-2 years</b>
Loans and borrowings	3 731	-
Trade and other payables	1 400	-
Minimum lease payments	171	-
	<u>5 301</u>	<u>-</u>

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:

	<b>Liabilities</b>		<b>Assets</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
USD	(128)	(103)	645	415

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Market risk

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

	Year ended 31 December	
	2022	2021
	%	%
	2022	2021
Consumer Cyclical	34	32
IT	28	8
FoodTech	14	12
E-commerce	8	8
Agriculture	5	-
Banks/financial services	4	12
Communication Services	3	-
Mining	2	4
Oil and gas (refining)	1	4
Energy	-	16
EdTech	0	4
Other	1	-
	100	100

The conflict that started on 24th February 2022 between Russia and Ukraine has resulted in extensive restrictions and disruptions relating to the Russian securities and markets. Sanctions threatened or already imposed against Russia, Russian entities or Russian individuals may result in disruption of the Russian economy, cause volatility in other regional and global markets and negatively impact the performance of various sectors and industries, as well as companies in other countries, which could have a negative effect on the performance of The Company.

**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

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valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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**

**Quoted 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 private 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).

**Private 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 2022	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investment in quoted equity instruments	1 470	-	-	1 470
Investment in private equity of Dodo Pizza	-	425	-	425
Investment in private equity instruments	-	-	14 278	14 278
	<u>1 470</u>	<u>425</u>	<u>14 278</u>	<u>16 173</u>
31 December 2021	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investment in quoted equity instruments	4 378	-	-	4 378
Investment in private equity of Dodo Pizza	-	510	-	510
Investment in private equity instruments	-	-	5 144	5 144
	<u>4 378</u>	<u>510</u>	<u>5 144</u>	<u>10 033</u>



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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
<b>31 December 2022</b>			
Investment in private equity instruments of Russian entities - Operating business	Comparable company analysis	Enterprise Value ("EV") per a Revenue by P/S multiple derived from the average multiple for public peers and adjusted for regional Russian risks	The estimated fair value would increase if of P/S multiples were higher
Recently performed investment in private equity instruments	Cost approach	Last financing round	The estimated fair value would increase if financing round value has increased
<b>31 December 2021</b>			
Investment in private equity instruments of Russian entities - Operating business	Comparable company analysis	Enterprise Value ("EV") per a Revenue by P/S multiple derived from the average multiple for public peers and adjusted for regional Russian risks	The estimated fair value would increase if of P/S multiples were higher
Investment in private 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 private equity instruments	Cost approach	Last financing round	The estimated fair value would increase if financing round value has increased

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

	Year ended 31 December	
	<b>2022</b>	<b>2021</b>
Gain on investment in unquoted equity instruments	6 362	3 070
Investment income	165	121
Gain on investment in unquoted equity instrument (Dodo Pizza)	28	257
Currency exchange loss	(56)	(4)
Loss/(gain) on investment in quoted equity instruments	(2 492)	2 725
	<u>4 007</u>	<u>6 169</u>

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**10 Other income**

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
Agent fees	428	656
Advisory fees	52	66
Other	-	67
	<u>479</u>	<u>790</u>

**11 Operating, general and administrative expenses**

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
Consulting services	568	44
Wages, salaries	235	421
Marketing & business events	161	216
Depreciation	69	84
Broker's fees	59	12
Social security costs	46	68
Allowance for expected credit losses	41	171
Legal	31	26
Bank charges	20	18
Gratuitous contribution to investee	-	49
Other	85	96
	<u>1 314</u>	<u>1 207</u>

**12 Finance costs**

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
Finance costs	(19)	(68)
Interest expense calculated using the effective interest method	-	(32)
Interest expense on lease payable	(4)	(5)
	<u>(23)</u>	<u>(105)</u>

**13 Income taxes**

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
Current income tax expense	-	(117)
Deferred Income Tax Expense	(778)	(1 019)
Other	0	(0)
	<u>(778)</u>	<u>(1 137)</u>

The Company used the corporate tax rate of 20% payable by corporate entities in the Russia on taxable profits (as defined) under tax law.

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13.1 Movement in deferred tax balances

2022	Net balance at 1 January	Recogni sed in profit or loss	Recognised directly in equity	Translation to presentation currency	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(7)	6	-	0	(1)	-	(1)
Intangible assets	(0)	1	-	0	-	-	-
Investments at FVPL	(1 288)	(918)	-	(71)	(2 135)	-	(2 255)
Loans given	27	16	-	1	41	44	-
Loans and borrowings	(19)	(25)	22	(0)	(20)	-	(22)
Tax losses carried forward	-	130	-	-	-	127	-
Trade and other payables	-	13	-	-	-	13	-
Tax assets (liabilities) before set-off	(1 287)	(778)	22	(69)	(2 115)	183	(2 278)
Set-off of tax	-	-	-	-	-	(183)	183
Net tax liabilities	(1 287)	(778)	22	(69)	(2 115)	-	(2 095)
<hr/>							
2021	Net balance at 1 January	Recogni sed 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	-	-	0	-	-	(40)	40
Net tax liabilities	(330)	(1 014)	47	(10)	(1 287)	-	(1 287)

**14 Convertible loan**

As of 31/12/2021 the Company hold USD 404 thousands in convertible loan denominated in RUB. In April 2022 the company converted it into 3.5% of the share capital of Omnik, LLC (Russia).

The terms of the loan agreement failed the SPPI criterion, so that the loan was recognised as financial asset at fair value through profit or loss ("FVPL"). The fair value of the convertible loan was 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 and adjusted with the discount of 25% for lack of marketability.

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**15 Loans given**

	%	Year ended 31 December	
		<u>2022</u>	<u>2021</u>
<b>Current</b>			
Loans to investees	6%	816	67
Loans to investees	36%	338	-
Loans to investees	0%	220	417
Loans to investees	24-25%	174	72
Loans to investees	12%	-	34
Current part on long-term loans to investees	0%	-	17
Interest receivable		19	17
Allowance for expected credit losses		(181)	(135)
		<u><b>1 387</b></u>	<u><b>489</b></u>

Loans to Investees are measured at amortised cost.

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	
	<u>2022</u>	<u>2021</u>
Balance at 1 January	(135)	-
Charge for the year	(39)	(135)
Translation differences	(8)	-
Balance at 31 December	<u><b>(181)</b></u>	<u><b>(135)</b></u>

**16 Investments held at fair value through profit or loss**

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
Investment in quoted equity instruments	1 470	4 378
Investment in private equity of Dodo Pizza	425	510
Investment in private equity instruments	14 278	5 144
	<u><b>16 173</b></u>	<u><b>10 033</b></u>

**17 Capital and reserves**

A. Share capital

	Year ended 31 December	
	<u>2022</u>	<u>2022</u>
in thousands of shares		
In issue at 1 January	1 010	1 010
Issued at 14 January 2022	40	-
In issue at 31 December (fully paid)	<u>1 050</u>	<u>1 010</u>
Authorised – par value	<u><b>1 050</b></u>	<u><b>1 050</b></u>

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.

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The new ordinary shares issued in 2022 ranked pari passu in all respects with the existing ordinary shares of the Company.

See note 23 for subsequent events related to issue of additional shares.

**B. Equity element of convertible loans reserve**

	Year ended 31 December	
	<b>2022</b>	<b>2021</b>
Balance at 1 January	74	289
Recognition of equity component of convertible loans (see note 18)	28	(189)
Deferred tax liability arising on recognition of equity component of convertible loans	(20)	(19)
Translation differences	(6)	(7)
Balance at 31 December	<b>76</b>	<b>74</b>

This reserve represents the equity component of convertible debt instruments (see note 18).

**C. Contribution by the shareholder reserve**

The reserve represented irrevocable capital contribution made by the founder of the Company, Valery Zolotukhin, on 13 April 2021 in the form of the equity instruments of Dodo Pizza, 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 220 thousands (2021: 26 thousands) was attributable to disposal of shares.

**18 Loans and borrowing**

	Year ended 31 December	
	<b>2022</b>	<b>2021</b>
<b>Non-current</b>		
Unsecured interest-free loans with the controlling shareholder	4 139	-
Unsecured interest-free convertible loans with the controlling shareholder	586	-
	4 724	-
<b>Current</b>		
Loan from a broker RUB denominated (Central bank of Russia rate +1,5%)	12	512
Loan from a broker USD denominated (3%)	128	103
Current part of long-term unsecured interest-free convertible loans with the controlling shareholder	-	2 856
Unsecured loans with individuals	385	259
	524	3 731
	<b>5 249</b>	<b>3 731</b>

The convertible interest-free 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.

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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 28 thousands has been credited to the equity element of convertible loans reserve (2021: USD 189 thousands has been debited to the equity), see note 17.

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 2022 and 31 December 2021 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.

### **19 Lease liabilities**

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 interest expense on lease payable is included in Note 12.

### **20 Payable for shares to be issued**

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](http://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.

### **21 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 53 thousands in the year (2021: USD 49 thousands).

### **22 Financial risk management**

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

- credit risk;
- liquidity risk;
- market risks.

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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 a result 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.

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**23 Subsequent events**

In January 2023 the Company attracted USD 500 thousands in funding to finalize the deal with OMNIC LLC, Russia with a strategic investor.

In February 2023 the Company closed a new round of investment in the fintech startup "RANKS" with new investors contributing USD 450 thousands and own company's funds contributed of USD 90 thousands.