

**Equiti AM CJSC**

**International Financial Reporting Standards  
Financial Statements and  
Independent Auditor's Report**

**31 December 2023**

## Contents

### INDEPENDENT AUDITOR'S REPORT

### FINANCIAL STATEMENTS

Statement of Financial Position .....	1
Statement of Profit or Loss and Other Comprehensive Income .....	2
Statement of Changes in Equity .....	3
Statement of Cash Flows .....	4

### Notes to the Financial Statements

1 Equiti AM CJSC and its operations .....	5
2 Basis of preparation .....	6
3 Material accounting policy information .....	8
4 Cash and cash equivalents .....	13
5 Short-term bank deposits .....	13
6 Amounts due from intermediaries .....	14
7 Derivatives .....	14
8 Investments at amortised cost .....	14
9 Property, equipment and intangible assets .....	15
10 Other Assets .....	16
11 Deferred income taxes .....	16
12 Deposits from customers .....	17
13 Accrued liabilities .....	17
14 Equity and reserves .....	17
15 Brokerage and other revenues .....	17
16 Interest income calculated using the effective interest method .....	17
17 Commission costs .....	17
18 Other expenses .....	18
19 Income tax recovery .....	18
20 Accounting estimates and judgments .....	18
21 Financial instruments .....	19
22 Financial risk management .....	19
23 Fair value measurement .....	23
24 Capital risk management .....	23
25 Contingencies .....	24
26 Related parties .....	24
27 Restatement of comparative financial statements .....	25



## Independent Auditor's Report

To the Shareholder of Equiti AM CJSC:

---

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Equiti AM CJSC (the "Company") as at 31 December 2023, and the Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

---

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

---

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



---

## Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

Levan Kankava  
Responsible auditor

Nino Kadagishvili  
Director

*PricewaterhouseCoopers Armenia LLC*


10 May 2024

Yerevan, Republic of Armenia

**Equiti AM CJSC**  
**Statement of Financial Position**

<i>In thousands of Armenian Drams</i>	<b>Note</b>	<b>31 December 2023</b>	<b>31 December 2022 (restated)</b>
<b>Assets</b>			
Cash and cash equivalents	4	290,471	64,818
Short-term bank deposits	5	136,805	226,533
Amounts due from intermediaries	6	56,390	55,683
Derivative assets	7	141	113
Investments at amortised cost	8	245,319	435,021
Property, equipment and intangible assets	9	37,840	61,333
Other assets	10	128,831	80,454
Income tax receivables		18,180	11,784
Deferred income tax assets	11	20,625	10,385
<b>Total assets</b>		<b>934,602</b>	<b>946,124</b>
<b>Liabilities</b>			
Deposits from customers	12	120,618	82,058
Derivative liabilities	7	187	200
Lease liabilities	9	914	22,169
Accrued liabilities	13	129,912	77,376
<b>Total liabilities</b>		<b>251,631</b>	<b>181,803</b>
<b>Equity and reserves</b>			
Share capital	14	348,683	348,683
Reserve capital		42,718	40,418
Retained earnings		291,570	375,220
<b>Total equity</b>		<b>682,971</b>	<b>764,321</b>
<b>Total equity and liabilities</b>		<b>934,602</b>	<b>946,124</b>

Approved for issue and signed by the Management of the Company on 10 May 2024.

  
 Artak Nahapetyan  
 Chief Executive Officer



  
 Gayane Hovhannisyan  
 Head of Financial Department

**Equiti AM CJSC**  
**Statement of Profit or Loss and Other Comprehensive Income**

<i>In thousands of Armenian Drams</i>	<b>Note</b>	<b>2023</b>	<b>2022 (restated)</b>
Brokerage and other revenues	15	439,761	230,310
Commission costs	17	(5,315)	(4,409)
<b>Net revenue</b>		<b>434,446</b>	<b>225,901</b>
Employee benefits		(384,942)	(207,421)
Depreciation and Amortization	9	(45,007)	(30,018)
Other expenses	18	(149,260)	(118,199)
<b>Operating loss for the year</b>		<b>(144,763)</b>	<b>(129,737)</b>
Interest income calculated using the effective interest method	16	51,192	46,647
Finance costs		(1,431)	(1,397)
Net gain/(loss) from foreign currency translation		3,412	(115,832)
<b>Loss before income tax</b>		<b>(91,590)</b>	<b>(200,319)</b>
Income tax recovery	19	10,240	22,827
<b>LOSS FOR THE YEAR</b>		<b>(81,350)</b>	<b>(177,492)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(81,350)</b>	<b>(177,492)</b>

**Equiti AM CJSC**  
**Statement of Changes in Equity**

<i>In thousands of Armenian Drams</i>	<b>Share capital</b>	<b>Reserve capital</b>	<b>Retained earnings</b>	<b>Total</b>
<b>At 1 January 2022</b>	<b>348,683</b>	<b>38,031</b>	<b>555,099</b>	<b>941,813</b>
<b>Loss for the year (restated)</b>	-	-	<b>(177,492)</b>	<b>(177,492)</b>
<b>Total comprehensive loss for the year</b>	-	-	<b>(177,492)</b>	<b>(177,492)</b>
Transfer of retained earnings to reserve capital	-	2,387	(2,387)	-
<b>At 31 December 2022 (restated)</b>	<b>348,683</b>	<b>40,418</b>	<b>375,220</b>	<b>764,321</b>
<b>Loss for the year</b>	-	-	<b>(81,350)</b>	<b>(81,350)</b>
<b>Total comprehensive loss for the year</b>	-	-	<b>(81,350)</b>	<b>(81,350)</b>
Transfer of retained earnings to reserve capital	-	2,300	(2,300)	-
<b>At 31 December 2023</b>	<b>348,683</b>	<b>42,718</b>	<b>291,570</b>	<b>682,971</b>



**Equiti AM CJSC**  
**Statement of Cash Flows**

<i>In thousands of Armenian Drams</i>	Note	2023	2022 (restated)
<b>Cash flows from operating activities</b>			
Proceeds received from customers		64,242	1,912,811
Proceeds given to customers		(62,097)	(486,402)
Proceeds from IT and consulting services		383,885	161,311
Cash transferred to intermediaries		(7,965)	(1,665,202)
Cash received from intermediaries		57,470	13,206
Payroll and other equivalent payments to employees		(376,813)	(257,308)
Bank deposits movement		87,071	137,059
Payments for platform maintenance		-	(36,982)
Insurance		(38,910)	(14,231)
Recruitment		(4,757)	-
Taxes and duties paid		(31,670)	(21,139)
Other expenses		(47,960)	(47,738)
		<b>22,496</b>	<b>(304,615)</b>
Income tax paid		(6,396)	(10,231)
<b>Net cash from / (used in) operating activities</b>		<b>16,100</b>	<b>(314,846)</b>
<b>Cash flows from investing activities</b>			
Interest income received		38,010	48,541
Loan repayment	8	202,905	-
Proceeds from investments in securities		112,112	20,000
Purchase of Investments		(104,790)	(140,435)
Acquisition of property, equipment and intangible assets		(10,175)	(8,484)
<b>Net cash from / (used in) investing activities</b>		<b>238,062</b>	<b>(80,378)</b>
<b>Cash flows from financing activities</b>			
Lease obligations paid	9	(32,834)	(24,330)
<b>Net cash used in financing activities</b>		<b>(32,834)</b>	<b>(24,330)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>221,328</b>	<b>(419,554)</b>
Foreign exchange effect on cash		4,325	(76,960)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4</b>	<b>64,818</b>	<b>561,332</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>290,471</b>	<b>64,818</b>

## **1 Equiti AM CJSC and its operations**

Equiti AM CJSC (the “Company”) was established under the laws of the Republic of Armenia on 10 July 2012 with the registration number 11. The Company is operating under the license #0011 “On provision of investing services” issued by the Central Bank of the Republic of Armenia (the “CBA”) on 10 July 2012. The Company's operational procedures are tailored according to the CBA regulatory requirements.

The main activities of the Company are:

- Acceptance and transmission of orders for transactions with securities from clients;
- Execution of transactions with securities on client's or its own behalf;
- Provision of consulting services for non-core services.

In 2018, the Company also obtained a license to “execute securities transactions at its expense and on its behalf”. However, no transactions were conducted under this license during 2022 and 2023.

The Company is specialized in online trading of forex and derivative instruments, offering services to professional and institutional customers. The Company offers its clients one of the world's most popular trading platforms, MetaTrader 4 (MT4). MT4 offers a complete trading package giving traders access to multiple markets from one platform, each with the benefits of real-time charts, real-time news, events, and a suite of analytical tools.

The Company is controlled by Equiti Group Ltd, which owns 100% of the Company's shares. Equiti Group Ltd is the sole shareholder of the company. Equiti Group Ltd is incorporated in St. Helier, Jersey, and is controlled by majority shareholder Abdul Raouf Al Bitar, who owns 59% of the shares. The registration number of the company is 7216039.

The average number of employees of the Company during 2023 was 22 employees (2022: 16 employees).

The Company's legal address is: 26/1 V. Sargsyan street, room 609, Yerevan 0010, Armenia.

### ***Business environment***

*Armenia.* The changes in political and economic environment and the development of the legal, tax and legislative systems in Armenia have continuing nature. The stability and development of the Armenian economy largely depends on these changes. The government has brought a renewed commitment to good governance, including anticorruption efforts, transparency, and accountability.

The situation in the Republic of Armenia has intensified as a result of the war unleashed by the Republic of Azerbaijan. Despite the ceasefire agreement, the consequences of the war on Armenia's economy, both in the short and long term, are still uncertain.

*War between Russia and Ukraine.* The conflict that broke out on 24 February 2022 in Ukraine has evolved rapidly, having a significant impact around the world. The United States and the European countries have imposed severe sanctions against Russian Federation. Western countries are discussing widening existing sanctions. Russian Federation is a significant trading partner of the Republic of Armenia, hence sanctions imposed on Russia at the date of these financial statements, as well as the escalation of those sanctions had some effect on the economy and financial markets of the Republic of Armenia.

The conflict in Ukraine caused thousands of Russians and Ukrainians to relocate to the Republic of Armenia. This includes not only individuals but also businesses that had been established and operated in those countries. This resulted in increased inflows of foreign currency into the Armenian market, which led to a significant appreciation of the Armenian dram relative to the US dollar and Euro.

The long-term effects of the current economic situation are difficult to predict, and management's current expectations and estimates could differ from the actual results.

*Climate change.* Considering the nature of activities the environment in which the Company operates does not require the Company to present its environmental impact in an annual report or similar report.

Management believes that the Company meets the Government's environmental requirements and is confident that the Company has no current significant environmental liabilities. However, environmental legislation in Armenia is under development, and potential changes and interpretations of legislation in the future may create significant liabilities.

## **2 Basis of preparation**

**Statement of compliance.** The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS accounting standards") as issued by the International Accounting Standards Board ("IASB"). They have been prepared under the assumption that the Company operates on a going concern basis.

**Basis of measurement.** The financial statements have been prepared on an accruals basis and under the historical cost convention with the exception of certain financial instruments that are measured at fair values.

**Functional and presentation currency.** The national currency of Armenia is the Armenian dram ("dram"), which is the Company's functional currency since this currency best reflects the economic substance of the underlying events and transactions of the Company.

These financial statements are presented in Armenian drams (unless otherwise stated), since management believes that this currency is more useful for the users of these financial statements. All financial information presented in Armenian drams has been rounded to the nearest thousand.

**Use of estimates and judgment.** The preparation of financial statements in conformity with IFRS accounting standards requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 20 to the financial statements.

### **Adoption of new and revised standards**

The following amended standards became effective from 1 January 2023, but did not have any material impact on the Company:

**IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023).** IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. As a consequence, it was difficult for investors to compare and contrast the financial performance of otherwise similar insurance companies.

**Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).** The amendments include a number of clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and transition.

**Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023).** The amendment to the transition requirements in IFRS 17 provides insurers with an option aimed at improving the usefulness of information to investors on initial application of IFRS 17.

**Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).** IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the

amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

**Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).** The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates.

**Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).** The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which both an asset and a liability are recognised. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

**Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023).** In May 2023, the IASB issued narrow-scope amendments to IAS 12, 'Income Taxes'. This amendment was introduced in response to the imminent implementation of the Pillar Two model rules released by the Organisation for Economic Co-operation and Development's (OECD) as a result of international tax reform. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. In accordance with IASB effective date, the companies may apply the exception immediately, but disclosure requirements are required for annual periods commencing on or after 1 January 2023.

The application of the amendments had no significant impact on the Company's financial statements.

### **New Accounting Pronouncements**

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024 or later, and which the Company has not early adopted.

**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).** The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate. The Company is currently assessing the impact of the amendments on its financial statements.

**Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).** These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is

breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The Company is currently assessing the impact of the amendments on its financial statements.

**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023).** In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements. The new disclosure requirements will be effective for the annual reporting periods beginning on or after 1 January 2024. The Company is currently assessing the impact of the amendments on its financial statements.

**Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023).** In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. The new disclosure requirements will be effective for the annual reporting periods beginning on or after 1 January 2025. The Company is currently assessing the impact of the amendments on its financial statements.

### **Restatement of financial statements**

The Company applies changes in accounting policies and correction of prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by: restating the comparative amounts for the prior periods presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. The financial statements including the comparative information for prior periods are presented as if the correction had been made in the period in which such a necessity arose. Therefore, the amount of correction that relates to each period presented is included in the financial statements of that period.

### **3 Material accounting policy information**

**Foreign currencies.** In preparing the financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the Central Bank of Armenia prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates defined by the Central Bank of Armenia prevailing on the reporting date, which is 404.79 drams for 1 US dollar and 447.90 drams for 1 euro at 31 December 2023 (31 December 2022: 393.57 drams for 1 US dollar and 420.06 drams for 1 euro). Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date), except for non-monetary items carried at fair value that are denominated in foreign currencies which are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement and retranslation of monetary items, are included in profit or loss for the period.

**Property and equipment.** Items of property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises, major components having different useful lives, they are accounted for as separate items of property and equipment.

Expenditure to replace a component of an item of property and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized if future economic benefits would arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in profit or loss as incurred.

Depreciation is charged to profit or loss or is added to the cost of other asset on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use. The estimated useful lives are as follows:

Computer equipment	- 1-3 years
Fixture and fittings	- 8 years

---

The leasehold improvements are amortized over the period of the lease agreement.

**Intangible assets.** Intangible assets, which are acquired by the Company and which have finite useful lives, are stated at cost less accumulated amortization and impairment losses.

Amortization is charged to profit or loss or is added to the cost of other asset on a straight-line basis over the estimated useful lives of the intangible assets, which is estimated at 10 years for computer software.

**Impairment of property and equipment and intangible assets.** Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of net selling price and value in use. 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 or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, 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 or 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 recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case any reversal of impairment loss is treated as a revaluation increase.

#### **Leased assets**

**The Company as a lessee.** The Company assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

**Measurement and recognition of leases as a lessee.** At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in its statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to the initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

#### **Financial instruments - Recognition and derecognition**

Financial assets and financial liabilities are recognized when the Company becomes a part to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire.

#### **Financial assets - Classification and initial measurement**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL).

The classification is determined by both:

- the Company's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items. A summary of the Company's financial assets by category is given in Note 21.

#### **Subsequent measurement of financial assets**

*Financial assets at amortized cost.* Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. The Company's cash and cash equivalents, bank deposits, bonds, loans given and trade receivables fall into this category of financial instruments.

*Financial assets at fair value through profit or loss (FVTPL).* Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at fair value through profit and loss. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Assets in this category include gains or losses on contracts for difference and are classified as derivative financial instruments. These derivatives are:

- Acquired or incurred for the purpose of selling or repurchasing in the near term;
- A part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; and
- Are not designated and effective as a hedging instrument.

**Impairment of financial assets**

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the “expected credit loss (ECL) model”. Instruments within the scope of IFRS 9 requirements included loans and other debt-type financial assets measured at amortized cost, trade receivables, contract assets recognized and measured under IFRS 15.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the reporting date.

“12-month expected credit losses” are recognized for the first category while “lifetime expected credit losses” are recognized for the second category.

**Classification and measurement of financial liabilities.** The Company's financial liabilities include amounts due to customers, trade and other payables, lease liabilities and derivative financial instruments.

**Financial liabilities at amortized cost.** Financial liabilities at amortized cost are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges reported in profit or loss are included within finance costs or finance income.

**Financial liabilities at fair value through profit or loss.** Financial liabilities at fair value through profit or loss include gain or losses on contracts for differences that are classified as derivative instruments.

Financial liabilities are classified as derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

A summary of the Company's financial liabilities by category is given in Note 21.

**Cash and cash equivalents.** Cash and bank balances comprise cash on hand, bank accounts and cash in transit.

For the purpose of the statement of cash flows, cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company classifies investments as a cash equivalent if they are readily convertible to a known amount of cash and are subject to an



insignificant risk of changes in value. A summary of Company's cash and cash equivalents is presented in Note 4.

**Equity.** Equity instruments issued by the Company are recorded at the proceeds received. Share capital represents the nominal value of shares that have been issued. Retained earnings include all current and prior period retained profits. All transactions with owners are recorded separately within equity. Dividends are recognized as a liability in the period in which they are declared.

**Provisions.** A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**Income tax.** Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Employee benefits.** Short-term employee benefits are benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services and include:

- (a) wages, salaries and bonuses;
- (b) paid annual leaves and paid disability leaves.

When employees render services to the Company during the accounting period, the Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- (a) as a liability (accrued expense), after deducting any amount already paid.
- (b) as an expense, unless the amount is included in the cost of an asset.

**Paid absences.** The expected cost of short-term employee benefits in the form of paid absences is recognized as follows:

- (a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.
- (b) in the case of non-accumulating paid absences, when the absences occur.

**Bonuses.** The expected cost of bonus payments is recognized when and only when the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

A present obligation exists when, and only when, the Company has no realistic alternative but to make the payments.

**Revenue**

*Contract revenue.* Company uses Revenue from Contracts with Customers (IFRS 15) for revenue recognition.

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and rebates allowed by the Company.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognizes deposits received from customers as liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as advances from customers in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue main streams arise from the:

- Brokerage commissions and fees;
- Consulting and IT services.

Commissions are charged to customers at the time of opening the position based on transaction volume per million, markup on symbol lot size, or percentage as per the symbol's lot size, considering the client's account base currency.

Swaps represent the interest paid or earned, depending on the size of the position and the cut-off time. These swap rates are calculated daily, considering the daily price of the symbol, the size of the position, and the number of days held by the customer. The swap rates are calculated daily, depending on the size of the position held by customer and the interest rate differential.

*Revenue from consulting and IT services.* Company is actively engaged in providing IT services to its related party in development, testing, maintenance of software and data engineering.

Main IT services include IT support, development of the enhancements and related services. According to the IT service contract a cost-plus markup is charged for provision of IT services to its related party.

*Interest income.* Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**4 Cash and cash equivalents**

<i>In thousands of Armenian Drams</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash in bank - Company funds	234,568	49,295
Cash in bank - Customer's deposits	55,903	15,523
	<b>290,471</b>	<b>64,818</b>

At reporting date Company measured the ECL and there was not any significant increase in credit risk since recognition. ECL is considered not material that is why has no effect on the cash and cash equivalents presented in the financial statements.

Deposits from customers from client money treatment is recognised under note 12.

**5 Short-term bank deposits**

**At 31 December 2023**

*In thousands of Armenian Drams*

<b>Bank</b>	<b>Currency</b>	<b>Rating (Moody's)</b>	<b>Rate</b>	<b>Balance</b>
Converse Bank CJSC	AMD	Ba3	10.0%	51,918
Inecobank	AMD	Ba2	9.8%	53,069
Ameriabank	AMD	Ba2	9.45%	31,818
				<b>136,805</b>

**Equiti AM CJSC**  
**Notes to the Financial Statements – 31 December 2023**

**At 31 December 2022**

*In thousands of Armenian Drams*

Bank	Currency	Rating (Moody's)	Rate	Balance
Ararat Bank	USD	Ba3*	4.3%	88,662
Converse Bank CJSC	AMD	B1	9.3%	52,984
Inecobank	AMD	Ba3	7.5%	53,061
Amio Bank	AMD	Ba3*	9.45%	31,826
				<b>226,533</b>

\* Armenia Moody's rating is used as the bank is not rated by Moody's, Fitch and S&P. Bank is regulated by the Central Bank of Armenia

At reporting date Company measured the ECL and there was not any significant increase in credit risk since recognition. ECL is considered not material that is why has no effect on the balances of short-term bank deposits presented in the financial statements.

## 6 Amounts due from intermediaries

<i>In thousands of Armenian Drams</i>	31 December 2023	31 December 2022
Amounts held with intermediaries	56,390	55,683
<b>Total</b>	<b>56,390</b>	<b>55,683</b>

Amounts held with intermediaries represent amounts transferred to the counterparty Bloom Capital LP (related party), which provides brokerage services to the Company. The Company appointed Bloom Capital LP as liquidity provider to match client trades in Spot Foreign Exchange Contracts, Spot Metal Contracts and Contracts for Difference.

## 7 Derivatives

Derivative financial instruments include gains or losses on the outstanding balances of contracts for differences (CFDs) with positive and negative positions at the year end.

## 8 Investments at amortised cost

<i>In thousands of Armenian Drams</i>	31 December 2023	31 December 2022
Loans to related parties	-	198,820
Investments in securities	245,319	241,206
Provision for loss allowance	-	(5,005)
<b>Total</b>	<b>245,319</b>	<b>435,021</b>

Investments at amortised cost are presented in the statement of financial position net of the allowance for ECL.

The Company provided loan to EGM Marketing Management LLC (related party) in 2018, a company registered in U.A.E. The loan provided amounts to US dollars 500,000 and bears an annual interest rate of 5%, payable annually. Loan repayment has been prolonged each year for another year.

Principal amount and interest have been fully repaid in 2023. Details of investments in securities are as follows:

	Rating (Moody's)	Number	Par value each	Currency	Coupon rate	Maturity	31 December 2023
Ameriabank CJSC	Ba2	720	100,000	AMD	9.75%	Feb 2024	72,796
Finca UCO	Ba3*	2,000	10,000	AMD	13.00%	Nov 2024	20,316
Finca UCO	Ba3*	2,000	25	USD	6.50%	Jun 2024	20,208
Finca UCO	Ba3*	500	100	USD	7.50%	May 2025	20,301
Fast Credit Capital UCO	Ba3*	500	100	USD	6.25%	Jul 2024	20,444
							<b>154,065</b>
	Rating (Moody's)	Number	Par value each	Currency	Coupon rate	Maturity	31 December 2022
Ameriabank CJSC	Ba2	700	100	USD	4.75%	May2023	27,752
Ameriabank CJSC	Ba2	720	100,000	AMD	9.75%	Feb 2024	72,813

**Equiti AM CJSC**  
**Notes to the Financial Statements – 31 December 2023**

Finca UCO	Ba3*	2,000	10,000	AMD	13.00%	Nov 2024	20,317
Finca UCO	Ba3*	2,000	25	USD	6.50%	Jun 2024	19,715
Fast Credit Capital UCO	Ba3	500	100	USD	6.25%	Jul 2024	19,944
							<b>160,541</b>

\* Armenia Moody's rating is used as the financial institution is not rated by Moody's, Fitch and S&P. Financial institution is regulated by the Central Bank of Armenia

	Rating (Moody's)	Nominal price	Contract price	Currency	Yield rate	Maturity	31 December 2023
Government bond	Ba3	38,000	34,347	AMD	11.46%	Apr 2024	36,919
Government bond	Ba3	57,000	51,128	AMD	11.39%	Jun 2024	54,335
							<b>91,254</b>

	Rating (Moody's)	Nominal price	Contract price	Currency	Yield rate	Maturity	31 December 2023
Government bond	Ba3	35,000	33,055	AMD	11.27%	May 2023	33,723
Government bond	Ba3	50,000	45,962	AMD	11.06%	Jul 2023	46,942
							<b>80,665</b>

At reporting date Company measured the ECL for investments in securities and there was not any significant increase in credit risk since recognition. ECL is considered not material that is why has no effect on the investments in securities presented in the financial statements. The Company is managing credit risk with respect to its investment by only dealing in securities and bonds issued by Government and financial institutions having at least B+ rating.

## 9 Property, equipment and intangible assets

<i>In thousands of Armenian Drams</i>	Office equipment	Right-of use asset	Intangible assets	Total
<b>Cost</b>				
<b>January 1, 2022</b>	<b>67,176</b>	<b>66,576</b>	<b>794</b>	<b>134,546</b>
Additions	8,484	40,548	-	49,032
<b>31 December 2022</b>	<b>75,660</b>	<b>107,124</b>	<b>794</b>	<b>183,578</b>
Additions	10,175	11,339	-	21,514
<b>31 December 2023</b>	<b>85,835</b>	<b>118,463</b>	<b>794</b>	<b>205,092</b>
Accumulated depreciation and amortization				
<b>January 1, 2022</b>	<b>36,169</b>	<b>55,480</b>	<b>578</b>	<b>92,227</b>
<b>Charge for the year</b>	<b>7,257</b>	<b>22,681</b>	<b>80</b>	<b>30,018</b>
<b>31 December 2022</b>	<b>43,426</b>	<b>78,161</b>	<b>658</b>	<b>122,245</b>
Charge for the year	11,985	32,889	133	45,007
<b>31 December 2023</b>	<b>55,411</b>	<b>111,050</b>	<b>791</b>	<b>167,252</b>
<b>Carrying amount</b>				
<b>31 December 2022</b>	<b>32,234</b>	<b>28,963</b>	<b>136</b>	<b>61,333</b>
<b>31 December 2023</b>	<b>30,424</b>	<b>7,413</b>	<b>3</b>	<b>37,840</b>

Right-of-use assets include lease of office space. The Company leases office in "Erebuni Plaza" at V. Sargsyan 26/1, Yerevan, Armenia. The Company recognized the office space as a right-of-use asset in 2019, and depreciated it over the initial lease term, which was 3 years. During 2022 the contract was extended for another 2 years. Additional space was leased in 2023 for 14 months. The company made advance payment at the beginning of the lease term. The related obligation is presented under "lease liabilities".

## 10 Other Assets

<i>In thousands of Armenian Drams</i>	<b>2023</b>	<b>2022</b> <i>(restated)</i>
Receivables from related party recoverable expenses	63,654	57,766
Receivables from related party IT and consultancy fee	36,660	4,471
Prepaid expenses	17,982	10,834
Receivables general operations	5,817	446
Other tax receivables	3,638	6,143
Other receivables	1,080	794
<b>Total other assets</b>	<b>128,831</b>	<b>80,454</b>

## 11 Deferred income taxes

The movement of deferred income taxes is disclosed below:

<i>In thousands of Armenian Drams</i>	<b>2023</b>	<b>2022</b>
Balance at the beginning of year	10,385	(12,442)
Credited to profit or loss	10,240	22,827
<b>Balance at the end of year</b>	<b>20,625</b>	<b>10,385</b>

Deferred income taxes for the year ended 31 December 2023 can be summarized as follows:

<i>In thousands of Armenian Drams</i>	<b>1 January 2023</b>	<b>Recognized in profit or loss</b>	<b>31 December 2023</b>
<b>Deferred income tax assets</b>			
Derivative liabilities	-	34	34
Accrued expenses	8,211	(1,603)	6,608
Lease liabilities	3,963	(3,799)	164
Investments at amortised cost	901	(901)	-
Tax loss	2,523	12,655	15,178
	<b>15,598</b>	<b>6,386</b>	<b>21,984</b>
<b>Deferred income tax liabilities</b>			
Right of Use assets	5,213	(3,879)	1,334
Derivative assets	-	25	25
	<b>5,213</b>	<b>(3,854)</b>	<b>1,359</b>
<b>Net position – deferred income tax assets</b>	<b>10,385</b>	<b>10,240</b>	<b>20,625</b>

Deferred income taxes for the year ended 31 December 2022 can be summarized as follows:

<i>In thousands of Armenian Drams</i>	<b>1 January 2022</b>	<b>Recognized in profit or loss</b>	<b>31 December 2022</b>
<b>Deferred income tax assets</b>			
Derivative liabilities	72,729	(72,729)	-
Accrued expenses	8,700	(489)	8,211
Lease liabilities	-	3,963	3,963
Investments at amortized cost	-	901	901
Tax loss	-	2,523	2,523
	<b>81,429</b>	<b>(65,831)</b>	<b>15,598</b>
<b>Deferred income tax liabilities</b>			
Right-of-use assets	-	5,213	5,213
Derivative assets	93,871	(93,871)	-
	<b>93,871</b>	<b>(88,658)</b>	<b>5,213</b>
<b>Net position – deferred income tax (liabilities)/ assets</b>	<b>(12,442)</b>	<b>22,827</b>	<b>10,385</b>

## 12 Deposits from customers

	<b>31 December 2023</b>	<b>31 December 2022</b> <i>(restated)</i>
Deposits from customers and amounts due to Intermediaries	120,618	82,058
<b>Total</b>	<b>120,618</b>	<b>82,058</b>

Deposits from customers are adjusted for their trading profit and loss and commission charges.  
Refer to Note 22 for the currencies in which the Deposits from customers are denominated.

### 13 Accrued liabilities

<i>In thousands of Armenian Drams</i>	31 December 2023	31 December 2022 <i>(restated)</i>
Accrued liabilities to employees	26,239	41,130
Accrued taxes and duties	21,887	15,939
Accrued audit and other fees	14,332	3,657
IT service and platform maintenance fee	58,887	2,627
Other	8,567	14,023
<b>Total</b>	<b>129,912</b>	<b>77,376</b>

### 14 Equity and reserves

#### Share capital

<i>Number of shares unless otherwise stated</i>	Ordinary shares 2023	Ordinary shares 2022
Number of ordinary shares of AMD 414.96 each	840,280	840,280

The Company has one class of ordinary shares, which carry no right to fixed income.

**Reserve capital.** Reserve capital is used to transfer profits from accumulated profit. These transfers are regulated by the Company's charter, which states that the Company should create reserve capital from its retained earnings for an amount equal to 15% of its share capital.

### 15 Brokerage and other revenues

<i>In thousands of Armenian Drams</i>	2023	2022
<i>Revenue from contracts with customers</i>		
Revenues from IT services	416,255	157,548
Brokerage service commissions and fees	18,425	22,764
Revenues from consulting services	3,831	2,515
Revenues from brokerage swap	1,250	47,483
<b>Total</b>	<b>439,761</b>	<b>230,310</b>

Revenue from contracts with customers is recognized at a point in time.

### 16 Interest income calculated using the effective interest method

<i>In thousands of Armenian Drams</i>	2023	2022
Income from investments in securities	23,339	13,432
Income from loan to related parties	14,644	10,748
Interest income from bank deposits	13,209	22,467
<b>Total</b>	<b>51,192</b>	<b>46,647</b>

### 17 Commission costs

<i>In thousands of Armenian Drams</i>	2023	2022
Introducing broker rebates	3,777	159
Brokerage commission costs	1,538	4,250
<b>Total</b>	<b>5,315</b>	<b>4,409</b>

## 18 Other expenses

<i>In thousands of Armenian Drams</i>	2023	2022
Taxes	41,706	34,911
IT support	40,019	25,998
Technical maintenance	16,905	12,626
Audit fee	12,880	3,709
Business insurance	12,760	15,514
Consulting	6,180	353
Utility	2,835	2,714
Bank charges from transfers	1,052	1,520
Other	14,923	20,854
<b>Total</b>	<b>149,260</b>	<b>118,199</b>

## 19 Income tax recovery

<i>In thousands of Armenian Drams</i>	2023	2022
Deferred tax	10,240	22,827
<b>Total</b>	<b>10,240</b>	<b>22,827</b>

Reconciliation of effective tax rate is as follows:

<i>In thousands of Armenian Drams</i>	2023	Effective tax rate (%)	2022 (restated)	Effective tax rate (%)
<b>Loss before income tax</b>	<b>(91,590)</b>		<b>(200,319)</b>	
Tax calculated at a tax rate of 18%	(16,486)	18%	(36,057)	18%
Unrecognized deferred tax on loss carried forward	(2,278)	2.49%	(454)	0.23%
Permanent differences from FX (gain) / loss	(614)	0.67%	21,249	(10.61%)
Other permanent differences on non-deductible income	(838)	0.92%	(10,766)	5.37%
Other permanent differences on non-deductible expenses	9,976	(10.89%)	3,201	(1.60%)
<b>Income tax recovery</b>	<b>(10,240)</b>	<b>11.19%</b>	<b>(22,827)</b>	<b>11.39%</b>

## 20 Accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Accounting estimates.** The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Deferred income tax assets recognition.** Deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. This includes temporary differences expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilised. The future taxable profits and the amount of tax benefits that are probable in the future are based on the medium-term business plan prepared by the management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances. Key assumptions in the business plan are expected Revenue and expenses for the Company in the future three years. The Company has existing contracts in place to continue serving stable revenue streams in 2024 and going forward and the management has also negotiated draft contract for a new revenue stream in 2024. The Company expects to have sufficient taxable profits in the next periods against which the deductible temporary differences can be utilised. Additionally, the significant amount of deferred tax assets carried forward consist of tax losses generated for 2022 and 2023 fiscal years and the Company has legal rights to offset them against future taxable profits until 2027 and 2028 fiscal years, respectively, as provided by the Armenian tax legislation. The

Company estimates to start utilising tax losses balance in the amount of AMD 15,178 thousand as at 31 December 2023 against tax profits starting from 2024 fiscal year and can reasonable expect to utilise them fully in the upcoming three years, at most. The Company does not expect that macroeconomic changes in the environment would lead to adverse effects on the management estimates for deferred income tax recoverability balances, but the management would assess the reasonableness of such estimates at the end of each reporting year.

**Right-of-use assets and lease liabilities.** The value of right-of-use assets and lease liabilities is based on management estimates of lease terms as well as an incremental borrowing rate used to discount lease payments. In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. For leased offices the factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value. The Company is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. The lease term is reassessed if an option is exercised or not exercised, or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable changes in these factors could affect the estimated lease term and the reported value of right-of-use assets and lease liabilities.

## 21 Financial instruments

**Material accounting policies.** Details of the significant accounting policies and methods adopted, including the criteria for recognition and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in Note 3.

**Categories of financial instruments.** The carrying amounts of financial assets and financial liabilities in each category are as follows:

### Financial assets

<i>In thousands of Armenian Drams</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Amortized cost</b>		
Cash and cash equivalents	290,471	64,818
Short-term bank deposits	136,805	226,533
Amounts due from intermediaries	56,390	55,683
Investments at amortised cost	245,319	435,021
Other financial assets	107,211	63,477
<b>Fair value through profit or loss</b>		
Derivative assets	141	113
<b>Total</b>	<b>836,337</b>	<b>845,645</b>

### Financial liabilities

<i>In thousands of Armenian Drams</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Amortized cost</b>		
Deposits from customers	120,618	82,058
Lease liabilities	914	22,169
Other financial liabilities	81,786	20,307
<b>Fair value through profit or loss</b>		
Derivative liabilities	187	200
<b>Total</b>	<b>203,505</b>	<b>124,734</b>

## 22 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.



**Equiti AM CJSC**  
**Notes to the Financial Statements – 31 December 2023**

The Company does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Company is exposed are described below.

**Market risk.** The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, which results from its operating activities.

**Foreign currency risk.** The functional currency of Company is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and the presentation currency is the national currency of the Republic of Armenia, AMD.

The Company enters into transactions principally in instruments bearing currency risk. Also, the Company has assets in foreign currencies. Currency positions include own funds denominated in foreign currencies held for the purpose of settling transactions in foreign markets.

Management uses Armenian drams to analyses currency exchange rate risk. The Company mitigates foreign currency risk by continuously monitoring exposures in foreign currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated into Armenian drams at the closing rate:

<b>31 December 2023</b>	<b>USD</b>	<b>Euro</b>	<b>GBP</b>
<i>In thousands of Armenian Drams</i>			
<b>Financial assets</b>			
Cash and cash equivalents	210,499	23,968	1,318
Amounts due from intermediaries	24,119	32,271	-
Derivative assets	141	-	-
Investments at amortized cost	61,154	-	-
Other assets	100,314	-	-
	<b>396,227</b>	<b>56,239</b>	<b>1,318</b>
<b>Financial liabilities</b>			
Deposits from customers	73,343	48,594	(1,319)
Other liabilities	60,154	-	-
Derivative liabilities	187	-	-
	<b>133,684</b>	<b>48,594</b>	<b>(1,319)</b>
<b>Net position</b>	<b>262,543</b>	<b>7,645</b>	<b>2,637</b>
<b>31 December 2022</b>			
<i>In thousands of Armenian Drams</i>			
<b>Financial assets</b>			
Cash and cash equivalents	50,261	2,021	11,031
Short-term bank deposits	88,662	-	-
Amounts due from intermediaries	49,520	6,117	46
Derivative assets	113	-	-
Investments at amortised cost	257,000	-	-
Other assets	62,237	-	-
	<b>507,793</b>	<b>8,138</b>	<b>11,077</b>
<b>Financial liabilities</b>			
Deposits from customers	80,796	1,062	-
Other liabilities	2,627	-	-
Derivative liabilities	200	-	-
	<b>83,623</b>	<b>1,062</b>	<b>-</b>
<b>Net position</b>	<b>424,170</b>	<b>7,076</b>	<b>11,077</b>

The following table details the Company's sensitivity to a 10% (2022: 10%) increase and decrease in AMD against relevant currency. 10% (2022: 10%) represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% (2022: 10%) change in foreign currency rates.

If Armenian dram had strengthened against relevant currency by 10% (2022: 10%) then this would have had the following impact on the net position of financial assets and liabilities:

<i>In thousands of Armenian Drams</i>	<b>2023</b>	<b>2022</b>
US dollar	26,254	42,417
Euro	765	708
GBP	264	1,108

A negative number above indicates a decrease in profit or equity where the AMD strengthens 10% against the relevant currency. For a 10% weakness of the AMD against the relevant currencies, there would be a comparable impact on the profit or equity, and the balances above would be positive.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to currency risk.

### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from financial assets.

The maximum exposure to credit risk is represented by the carrying amounts of the following financial assets:

<i>In thousands of Armenian Drams</i>	<b>31 December 2023</b>	<b>31 December 2022 (restated)</b>
<i>Amortized cost</i>		
Cash and cash equivalents	290,471	64,818
Short-term bank deposits	136,805	226,533
Amounts due from intermediaries	56,390	55,683
Investments at amortised cost	245,319	435,021
Other financial assets	107,211	63,477
<i>Fair value through profit or loss</i>		
Derivative assets	141	113
	<b>836,337</b>	<b>845,645</b>

The credit risk in respect of cash balances held with banks and deposits with banks is managed via diversification of bank deposits, which are held only with major reputable financial institutions.

The credit risk for the loans in 2022 is acceptable since it is provided to the related party of the Company. The loss allowance recognized for the loan is based on the 12 months expected credit loss. As at 31 December 2023 the Company did not have receivable loan balance as it was fully repaid in 2023.

The Company's investments in bonds measured at amortized cost are considered to have low credit risk, since those are held with reputable counterparties and financial institutions.

**Liquidity risk.** Liquidity risk is the risk that the Company will be unable to meet its obligations.

The Company's policy is to run a prudent liquidity management policy by means of holding sufficient cash and bank balances, as well as by having robust trading limits with all counterparties and ensuring it has the legal right to close client positions through its margin call policies and the terms and conditions agreed by the client when the account is opened.

Liquidity risk arises mainly from deposits made by the customers. The substantial amount of customers deposits received is transferred to the intermediary broker and the rest is held on a separate bank account unused. According to the terms of the agreement with the customers, in case of insolvency of the intermediary broker the Company's resources may not suffice to cover customers' demands and the Company will not be liable to cover customer's losses. Hence the liquidity risk is not significant.

Accrued expenses and lease liabilities are all contractually due within one month.

**Equiti AM CJSC****Notes to the Financial Statements – 31 December 2023**

Maturity analysis of financial instruments as at 31 December 2023 and 2022 is as follows:

	<i>In thousands of Armenian Drams</i>				2023
	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Total
<b>Assets</b>					
Cash and cash equivalents	290,471	-	-	-	290,471
Short term bank deposits	-	-	136,805	-	136,805
Investments at amortised cost	-	72,660	152,358	20,301	245,319
Amounts due from intermediaries	56,390	-	-	-	56,390
Other financial assets	36,660	-	70,551	-	107,211
<b>Total</b>	<b>383,521</b>	<b>72,660</b>	<b>359,714</b>	<b>20,301</b>	<b>836,196</b>
<b>Liabilities</b>					
Lease liabilities	914	-	-	-	914
Deposits from customers	120,618	-	-	-	120,618
Other liabilities	22,899	-	58,887	-	81,786
<b>Total potential future payments for financial obligations</b>	<b>144,431</b>	<b>-</b>	<b>58,887</b>	<b>-</b>	<b>203,318</b>
<b>Liquidity gap arising from financial instruments</b>	<b>239,090</b>	<b>72,660</b>	<b>300,827</b>	<b>20,301</b>	<b>632,878</b>

	<i>In thousands of Armenian Drams</i>				2022
	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Total
<b>Assets</b>					
Cash and cash equivalents	64,818	-	-	-	64,818
Short term bank deposits	-	226,533	-	-	226,533
Investments at amortised cost	-	61,475	240,757	132,789	435,021
Amounts due from intermediaries	55,683	-	-	-	55,683
Other financial assets	-	-	63,477	-	63,477
<b>Total</b>	<b>120,501</b>	<b>288,008</b>	<b>304,234</b>	<b>132,789</b>	<b>845,532</b>
<b>Liabilities</b>					
Lease liabilities	22,169	-	-	-	22,169
Deposits from customers	82,058	-	-	-	82,058
Other liabilities	-	-	20,307	-	20,307
<b>Total potential future payments for financial obligations</b>	<b>104,227</b>	<b>-</b>	<b>20,307</b>	<b>-</b>	<b>124,534</b>
<b>Liquidity gap arising from financial instruments</b>	<b>16,274</b>	<b>288,008</b>	<b>283,927</b>	<b>132,789</b>	<b>720,998</b>

## **23 Fair value measurement**

The Company provides an analysis of its assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. These Levels are described below:

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

**Fair value measurement of financial instruments.** The Company management performs valuations of financial instruments for financial reporting purposes. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information. Specific valuation techniques used to value financial instruments include:

- for open positions – by reference to active market transactions
- for other financial instruments – discounted cash flow analysis

The Company categorized derivative financial assets and liabilities in Level 2 of the fair value hierarchy.

*Financial instruments measured at amortized cost for which the fair value is disclosed.* The carrying amount of the amounts held with intermediaries is considered to be a reasonable approximation of the fair value.

The related party loan was provided to EGM Marketing Management LLC. It had a maturity period of one year and carried a fixed rate of 5% (2021: 5%). The estimated fair value of the loan is categorized within Level 3 of the fair value hierarchy. The fair value estimate has been determined using a present value technique. The amount of drams 198,820 thousand is estimated by discounting the contractual cash flows at 5%. The most significant input is the discount rate.

The carrying amounts of bank deposits and investments in bonds are considered to be a reasonable approximation of their fair values. The fair value estimate is determined using a present value technique. Fair values are estimated by discounting the contractual cash flows at the market rate. The most significant input is the discount rate.

## **24 Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern and provide adequate return to stakeholders.

The capital structure of the Company consists of equity attributable to equity holders comprising issued capital, reserves and accumulated profits.

Management assesses the Company's capital requirements to maintain an efficient overall financing structure. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends payable to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's gearing ratio is nil since the capital consists of equity only (2022: nil). Company's Capital was 682,971 AMD as at 31 December 2023 and 764,321 AMD at 31 December 2022.

**Capital adequacy.** The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains strong credit ratings and healthy capital ratios to support its business and to maximize shareholders' value. During 2023 and 2022 Company complied with the capital requirements set by the Central Bank of Armenia. There were not any breaches of capital requirements set by Central Bank of Armenia.

The Central Bank of Armenia has set economic normative of the minimum size of total capital for investment companies, as follows:

*In thousands of Armenian Drams*

	Actual Capital 31 December 2023	Actual Capital 31 December 2022	Normative set by the Central Bank of Armenia
Minimum size of total capital	682,971	764,321	300,000
Minimum size of share capital	348,683	348,683	1,000

## 25 Contingencies

**Taxes.** The taxation system in Armenia is characterized by frequently changing legislation, which sometimes needs interpretations. Often differing interpretations exist among various taxation authorities and jurisdictions. Taxes are subject to review and investigations by tax authorities, which are enabled by law to impose fines and penalties.

Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

## 26 Related parties

The Company's related parties include its parent and entities under common control, key management and others as described below.

**Control relationships.** The Company is controlled by Equiti Group Ltd, which owns 100% of the Company's shares. Equiti Group Ltd is incorporated in St. Helier, Jersey, and does not produce publicly available financial statements. Majority of shares in Equiti Group Ltd is controlled by Abdul Raouf Al Bitar, who is the ultimate controlling party.

**Transactions with related parties.** During the reporting year the Company had the following transactions with the related parties and at the reporting date had the following outstanding balances.

<i>In thousands of Armenian Drams</i>	<b>2023</b>	<b>2022</b>
<b>Transactions:</b>		
<i>Key management</i>		
<i>Salary and other benefits</i>		
Salary	74,933	59,677
Statutory pension scheme	3,131	2,701
Bonus	-	12,918
Insurance	2,251	1,737
<i>Entities under common control</i>		
Brokerage commission costs	1,538	4,249
Rendering of services	420,086	160,063
Cash transferred to intermediaries	49,505	1,109,776
Acquisition of services	71,650	58,408

<i>In thousands of Armenian Drams</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Outstanding balances:</b>		
<i>Entities under common control</i>		
Investments at amortized cost	-	198,820
Amounts due from intermediaries	56,390	55,796
Trade and other receivables	108,014	64,747
Accrued liabilities	60,154	56,566
Prepayment received	-	1,181
Vacation reserve	9,284	10,333

## 27 Restatement of comparative financial statements

During 2023 the Company decided to restate the financial statements of the prior year according to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* due to identification of errors related to prior year. As a result of the above, the Company management has decided to make relevant adjustments in these financial statements, which were applied retrospectively, based on the policy adopted by the Company.

Adjustment to “Other assets” related to certain expenses which were incorrectly recognised as employee benefits in 2022. These expenses related to contribution to the development of intangible assets (IT projects) in the books of EGM Labs (related party). To rectify the error, a receivable from the related party was recorded and employee benefits were derecognised. A correcting entry impacting the Statement of Financial Position and Statement of Profit and Loss and Other Comprehensive Income was done which resulted in a decrease in employee benefits originally recorded for the year ended 2022 by the amount of AMD 57,746 thousand and in an increase in other assets by the amount of AMD 57,746 thousand as at 31 December 2022.

Adjustment to “Deposits from customers” related to a correction of an error identified for the balance as at 31 December 2022. A correcting entry was done to correct the revaluation effects of deposits from customers balance, which impacted the Statement of Financial Position and Statement of Profit and Loss and Other Comprehensive Income. To rectify the error, the Company reduced deposits from customers balance by the amount of AMD 2,219 thousand and decreased net loss from foreign currency translation by the amount of AMD 2,219 thousand.

Adjustment to “Other assets” and “Accrued liabilities” related to a correction of an error identified for the balance sheet as at 31 December 2022. Tax receivables were incorrectly shown as reductions from accrued liabilities and shown net with accrued liabilities balance. A correcting entry impacting the Statement of Financial Position was done to increase the accrued liabilities balance by the amount of AMD 18,373 thousand and increase other assets and income tax receivables balances by the amount of AMD 6,589 thousand and AMD 11,784 thousand, respectively.

Adjustment to “Lease liabilities” related to a correction of an error identified for the balance as at 31 December 2022. A correcting entry impacting the Statement of Financial Position and Statement of Profit and Loss and Other Comprehensive Income were done to increase lease liabilities balance by the amount of AMD 153 thousand and to increase finance cost by the amount of AMD 153 thousand, respectively.

These corrections did not have an impact on the opening balance as at 1 January 2022 and therefore the third balance sheet is not provided.

<i>In thousands of Armenian Drams</i>	<b>31 December 2022</b>		
	<b>As originally presented</b>	<b>Restatement</b>	<b>Restated balance</b>
<b>Assets</b>			
Cash and cash equivalents	64,818	-	64,818
Short-term bank deposits	226,533	-	226,533
Amounts due from intermediaries	55,683	-	55,683
Derivative assets	113	-	113
Investments at amortised cost	435,021	-	435,021
Property, equipment and intangible assets	61,333	-	61,333
Other assets	16,119	64,335	80,454
Income tax receivables	-	11,784	11,784
Deferred income tax assets	10,385	-	10,385
<b>Total assets</b>	<b>870,005</b>	<b>76,119</b>	<b>946,124</b>
<b>Liabilities</b>			
Deposits from customers	84,277	(2,219)	82,058
Derivative liabilities	200	-	200
Lease liabilities	22,016	153	22,169
Accrued liabilities	59,003	18,373	77,376
<b>Total liabilities</b>	<b>165,496</b>	<b>16,307</b>	<b>181,803</b>
<b>Equity</b>			
Share capital	348,683	-	348,683
Reserve capital	40,418	-	40,418
Retained earnings	315,408	59,812	375,220
<b>Total equity</b>	<b>704,509</b>	<b>59,812</b>	<b>764,321</b>
<b>Total equity and liabilities</b>	<b>870,005</b>	<b>76,119</b>	<b>946,124</b>

**Equiti AM CJSC**  
**Notes to the Financial Statements – 31 December 2023**

The adjustment of “Statement of cash flows” arose from the reclassification cash flows between Operating and Investing activities.

<i>In thousands of Armenian Drams</i>	<b>2022 (as originally presented)</b>	<b>Restatement</b>	<b>2022 (restated)</b>
<b>Cash flows from operating activities</b>			
Deposits from customers	1,426,409	(1,426,409)	-
Proceeds received from customers	-	1,912,811	1,912,811
Proceeds given to customers	-	(486,402)	(486,402)
Proceeds from consulting services	161,311	-	161,311
Cash transferred to intermediaries	(1,651,996)	(13,206)	(1,665,202)
Cash received from intermediaries	-	13,206	13,206
Payroll and other equivalent payments to employees	(257,308)	-	(257,308)
Bank deposits movements	-	137,059	137,059
Payments for platform maintenance	(36,982)	-	(36,982)
Insurance	-	(14,231)	(14,231)
Taxes and duties paid	(21,139)	-	(21,139)
Other expenses	(53,989)	6,251	(47,738)
	<b>(433,694)</b>	<b>129,079</b>	<b>(304,615)</b>
Income tax paid	(10,231)	-	(10,231)
<b>Net cash from / (used in) operating activities</b>	<b>(443,925)</b>	<b>129,079</b>	<b>(314,846)</b>
<b>Cash flows from investing activities</b>			
Proceeds from investments in securities	10,664	9,336	20,000
Purchase of Investments	(120,435)	(20,000)	(140,435)
Interest income received	23,507	25,034	48,541
Acquisition of property, equipment and intangible assets	(8,484)	-	(8,484)
Net movement in bank deposits	141,421	(141,421)	-
<b>Net cash used in investing activities</b>	<b>46,673</b>	<b>(127,051)</b>	<b>(80,378)</b>
<b>Cash flows from financing activities</b>			
Lease obligations paid	(22,302)	(2,028)	(24,330)
<b>Net cash from financing activities</b>	<b>(22,302)</b>	<b>(2,028)</b>	<b>(24,330)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(419,554)</b>	<b>-</b>	<b>(419,554)</b>
Foreign exchange effect on cash	(76,960)	-	(76,960)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>561,332</b>	<b>-</b>	<b>561,332</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>64,818</b>	<b>-</b>	<b>64,818</b>

During the year, the Company undertook an analysis of its operations and resolved to change the presentation of the statement of profit or loss and other comprehensive income to align with the Group presentation and IAS 1 requirements. The reclassifications have not resulted in a change in the reported loss and equity for the year ended 31 December 2022.

<i>In thousands of Armenian Drams</i>	<b>2022 (as originally presented)</b>	<b>Restatement</b>	<b>2022 (restated)</b>
Brokerage and other revenues	230,310	-	230,310
Commission costs	-	(4,409)	(4,409)
Interest income calculated using the effective interest method	46,647	(46,647)	-
<b>Net revenue</b>	<b>276,957</b>	<b>(51,056)</b>	<b>225,901</b>
Commission costs	(4,409)	4,409	-
Employee benefits	(265,167)	57,746	(207,421)
Depreciation and Amortization	(30,018)	-	(30,018)
Finance costs	(1,244)	1,244	-
Other expenses	(118,199)	-	(118,199)
Net gain / (loss) from foreign currency translation	(118,051)	118,051	-
<b>Operating loss for the year</b>	<b>(260,131)</b>	<b>130,394</b>	<b>(129,737)</b>
Interest income calculated using the effective interest method	-	46,647	46,647
Finance costs	-	(1,397)	(1,397)
Net loss from foreign currency translation	-	(115,832)	(115,832)
<b>Loss before income tax</b>	<b>(260,131)</b>	<b>59,812</b>	<b>(200,319)</b>
Income tax recovery	22,827	-	22,827
<b>Loss for the year</b>	<b>(237,304)</b>	<b>59,812</b>	<b>(177,492)</b>
<b>Total comprehensive loss for the year</b>	<b>(237,304)</b>	<b>59,812</b>	<b>(177,492)</b>