

Financial Statements and Independent Auditor's Report

Equiti AM CJSC

31 December 2024

Contents

Independent Auditor's Report	3
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9

Independent Auditor's Report

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To the shareholder of Equiti AM CJSC

Opinion

We have audited the financial statements of Equiti AM CJSC (the “Company”), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

Basis for Opinion

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

Other Matter

The Company’s financial statements for the year ended 31 December 2023 were audited by another auditor, who expressed an unqualified opinion on those financial statements on 10 May 2024.

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 IFRSs, 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.

Statement of profit or loss and other comprehensive income

In thousand AMD

	Notes	2024	2023
Revenues	5	580,549	439,761
Commission costs	6	(3,702)	(5,315)
Net revenue		576,847	434,446
Employee benefits		(406,430)	(384,942)
Depreciation and amortization		(50,330)	(45,007)
Other expenses	7	(144,138)	(149,260)
Operating loss for the year		(24,051)	(144,763)
Interest income calculated using the effective interest method	8	50,628	51,192
Finance costs		(4,027)	(1,431)
Net gain (loss) from foreign currency translation	9	(4,787)	3,412
Profit (loss) before income tax		17,763	(91,590)
Income tax (expense) recovery	10	(25,730)	10,240
Loss for the year		(7,967)	(81,350)
Other comprehensive income		-	-
Total comprehensive loss for the year		(7,967)	(81,350)

The statement of profit or loss and other comprehensive is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.

Statement of changes in equity

In thousand AMD

	Share capital	Reserve capital	Retained earnings	Total
Balance at 1 January 2023	348,683	40,418	375,220	764,321
Loss for the year	-	-	(81,350)	(81,350)
Total comprehensive income for the year	-	-	(81,350)	(81,350)
Transfer of retained earnings to reserve capital	-	2,300	(2,300)	-
Balance at 31 December 2023	348,683	42,718	291,570	682,971
Loss for the year	-	-	(7,967)	(7,967)
Total comprehensive income for the year	-	-	(7,967)	(7,967)
Transfer of retained earnings to reserve capital	-	2,500	(2,500)	-
Balance at 31 December 2024	348,683	45,218	281,103	675,004

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.

Statement of cash flows

In thousand AMD

	2024	2023
Cash flows from operating activities		
Proceeds from IT and consulting services	611,543	383,885
Proceeds received from trading activities	3,458	64,242
Cash given to trading customers	(31,370)	(62,097)
Cash received from intermediaries	-	57,470
Cash transferred to intermediaries	-	(7,965)
Bank deposits movement	40,000	87,071
Interest income received on bank deposits	12,761	14,333
Payroll and other equivalent payments to employees	(431,103)	(376,813)
Payments for platform maintenance	(105,269)	-
Insurance	(14,773)	(38,910)
Taxes and duties paid	(42,364)	(31,670)
Recruitment	-	(4,757)
Other expenses	(45,744)	(47,960)
	(2,861)	36,829
Income tax paid	(10,641)	(6,396)
Net cash from (used in) operating activities	(26,263)	16,100
Cash flows from investing activities		
Interest income received	27,307	23,677
Loan repayment	-	202,905
Proceeds from investments in securities	389,857	112,112
Investments in securities	(569,224)	(104,790)
Acquisition of property, equipment and intangible assets	(6,466)	(10,175)
Sales of property, equipment and intangible assets	251	-
Net cash from (used in) investing activities	(158,275)	223,729
Cash flows from financing activities		
Lease obligations paid	(37,611)	(32,834)
Net cash used in financing activities	(37,611)	(32,834)
Net increase (decrease) in cash and cash equivalents	(209,388)	221,328
Foreign exchange effect on cash and cash equivalents	(8,813)	4,325
Cash and cash equivalents, beginning of the year	290,471	64,818
Cash and cash equivalents, end of year	72,270	290,471

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 31.

Notes to the financial statements

Equiti AM CJSC

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

1 Nature of operations

Equiti AM CJSC (the “Company”) is specialized in online trading of forex and derivative instruments, offering services to professional and institutional customers. The Company offers to 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.

2 General information

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 transaction at its expense and on its behalf”.

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 is controlled by majority shareholder Abdul Raouf Al Bitar. The registration number of the company is 7216039.

The average number of employees of the Company during 2024 was 24 employees (2023: 22 employees).

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

Business environment

Armenia's business environment faces challenges due to geopolitical tensions, particularly ongoing aggression from Azerbaijan, and regional instability. The war in Ukraine has further complicated the situation, causing disruptions in trade, sanctions on Russia, and global inflation. Armenia's reliance on Russia has strained, affecting trade, remittances, and security guarantees, urging Armenia to diversify its economic relationships, though this comes with its own risks.

The Armenian dram is stronger than expected, controlling inflation but creating difficulties for exporters and businesses with foreign-currency liabilities. Global inflation and rising energy costs pressure Armenia's economy, especially due to reliance on imports.

Despite these challenges, businesses are diversifying supply chains and exploring new markets, while the government's reform efforts provide a path for long-term stability. However, Armenia's success will depend on its businesses' ability to navigate these risks effectively.

These financial statements reflect management's assessment of the impact of the Armenian business environment on the operations of the Company. The Company's management constantly analyzes the economic situation in the current environment. The future economic and political situation and its impact on the Company's operations may differ from the management's current expectations

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2024

In the current year the Company has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (the “IASB”) and International Financial Reporting

Interpretations Committee (the “IFRIC”) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2024.

The nature and the effect of these changes are disclosed below.

New and revised standards and interpretations that are effective for annual periods beginning on or after 1 January 2024

New standards and amendments described below and applied for the first time in 2024 did not have a material impact on the annual financial statements of the Company:

- “*Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*” (Amendments to IAS 1)
- “*Lease Liability in a Sale and Leaseback*” (Amendments to IFRS 16)
- “*Supplier Finance Arrangements*” (Amendments to IAS 7 and IFRS 7)
- “*Non-current Liabilities with Covenants*” (Amendments to IAS 1)

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company’s accounting policies for the first period beginning on or after the effective date of the pronouncement.

Management does not anticipate a material impact on the Company’s financial statements from these Standards and Amendments. They are presented below:

- “*Lack of Exchangeability*” (Amendments to IAS 21)
- “*Classification and Measurement of Financial Instruments*” (Amendments to IFRS 9 and IFRS 7)
- IFRS 18 “*Presentation and Disclosures in Financial Statements*”
- IFRS 19 “*Subsidiaries without Public Accountability: Disclosures*”

4 Material accounting policies

4.1 Basis of preparation

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 stated at present discounted value of future cash flows or fair values.

4.2 Statement of compliance with IFRS and going concern assumption

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as developed and published by the International Accounting Standards Board (IASB), and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The financial statements are prepared on a going concern basis, as management is satisfied that the Company has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projection of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Company.

4.3 Climate-related matters

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.

4.4 Foreign currency

Functional and presentation currency

The national currency of Armenia is the Armenian dram (“AMD”), 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 AMD (unless otherwise stated), since management believes that this currency is more useful for the users of these financial statements. All financial information presented in AMD has been rounded to the nearest thousand.

Foreign currency transactions

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 are as follows:

	31 December 2024	31 December 2023
AMD/1 USD	396.56	404.79
AMD/1 EUR	413.89	447.90

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.

4.5 Revenue

Contract revenue

The Company follows the requirements of *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 contract 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 mainly arises from the:

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

Brokerage commissions and fees

Brokerage commissions are charged to clients upon opening a position. These commissions are calculated based on transaction volume per million, lot size, a markup on the symbol's lot size or a percentage of the symbol's lot size, considering the client's account base currency.

Swaps represent the interest rate differential between the two currencies in a currency pair. Clients either pay or receive swaps when holding a position overnight.

Swap rates are determined daily based on several factors, including:

- The symbol's daily price
- The position's lot size
- The position type (buy or sell)
- The number of days the position is held"

Revenue from consulting and IT services

The 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.

4.6 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.

4.7 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 |

4.8 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.

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.

4.9 Leases

The Company as a lessee

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

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 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.

4.10 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 expired.

Classification and initial measurement of financial assets

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)
- fair value through other comprehensive income (FVOCI).

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, except for impairment of trade receivables which is presented within other expenses. A summary of the Company's financial assets by category is given in Note 17.

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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, bank deposits, bonds, loans given and most 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 and FVOCI, 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 17.1.

4.11 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.

4.12 Income taxes

Current 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

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.

4.13 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash equivalents are on-demand deposits, together with other 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 it is readily convertible to a known amount of cash and is subject to an insignificant risk of changes in value.

4.14 Equity, reserves and dividend payments

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.

4.15 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. If the amount already paid exceeds the undiscounted amount of the benefits, the Company shall recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- (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.

4.16 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRSs 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.

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.

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 2025. The Company expects to have sufficient taxable profits in the next periods against which the deductible temporary differences can be utilised. The Company utilized tax losses balance in the amount of AMD 15,178 thousand as at 31 December 2023 against tax profits in 2024 fiscal year. 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. The lease term corresponds to the non-

cancellable period of the contract except in cases where the Company is reasonably certain of exercising renewal options. When assessing the lease term, management considers all facts and circumstances that create the economic incentive for the Company to exercise the option to extend the lease. 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.

5 Revenues

	2024	2023
Revenue from IT services	574,850	416,255
Brokerage service commissions	4,463	18,425
Revenue from consulting services	950	3,831
Revenues from brokerage swap	286	1,250
Total revenues	580,549	439,761

Revenue from contracts with customers is recognized over time.

6 Commission costs

	2024	2023
Introducing broker rebates	2,962	3,777
Brokerage commission costs	740	1,538
Total commission costs	3,702	5,315

7 Other expenses

	2024	2023
Taxes	40,546	41,706
IT support	30,988	40,019
Technical maintenance	19,843	16,905
Audit	14,987	12,880
Business insurance	12,043	12,760
Consulting	10,410	6,180
Utility	2,728	2,835
Bank charges from transfers	1,272	1,052
Other	11,321	14,923
Total other expenses	144,138	149,260

8 Interest income calculated using the effective interest method

	2024	2023
Income from investments in securities	39,195	23,339
Interest income from bank deposits	11,433	13,209
Income from loans to related parties	-	14,644
Total interest income	50,628	51,192

9 Gain (loss) from foreign exchange rate differences, net

	2024	2023
Assets		
Bank balances	(9,286)	(27,976)
Short-term bank deposits	-	(1,480)
Amounts due from intermediaries	(961)	57,836
Investments at amortized cost	(3,024)	35,465
Liabilities		
Amounts due to customers	5,418	(58,213)
Accrued expenses	3,066	(2,220)
Gain (loss) from foreign exchange rate differences, net	(4,787)	3,412

10 Income tax expense

	2024	2023
Current tax	10,831	-
Deferred tax (Note 19)	14,899	10,240
Total income tax expense	25,730	10,240

Reconciliation of the effective tax rate is as follows:

	2024	Effective tax rate (%)	2023	Effective tax rate (%)
Profit before taxation (under IFRSs)	17,763		(91,590)	
Tax calculated at a tax rate of 18% (2023: 18%)	3,197	18.00	(16,486)	18.00
Use of accumulated tax losses	15,178	85.45	(12,655)	13.82
Effect of deferred tax	(279)	-1.57	2,415	-2.64
Permanent differences from FX (gain)/loss	862	4.85	(614)	0.67
Other permanent differences on non-deductible expenses	6,772	38.12	17,100	(18.67)
Income tax expense	25,730	144.85	(10,240)	11.19

11 Cash and cash equivalents

	2024	2023
Cash in bank - Company funds	58,637	234,568
Cash in bank - Customer's deposits	13,633	55,903
	72,270	290,471

12 Short-term bank deposits

	Rating (Moody's)	Currency	Rate	2024	2023
Inecobank CJSC	Ba3	AMD	9.8%	63,641	53,069
Ameriabank CJSC	Ba2	AMD	9.45%	31,818	31,817
Converse Bank CJSC	Ba3	AMD	10.0%	-	51,918
				95,459	136,805

13 Amounts due from intermediaries

	31 December 2024	31 December 2023
Amounts held with intermediaries	55,062	56,390
	55,062	56,390

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.

Refer to Note 24 for the currencies in which the amounts due from intermediaries are denominated.

14 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.

15 Investments at amortized cost

	31 December 2024	31 December 2023
Investments in securities	433,809	245,319
	433,809	245,319

Details of investments in securities are as follows:

	Rating (Moody's)	Quantity	Par value each	Currency	Coupon rate	Maturity	31 December 2024
Euroterm CJSC	B1**	5,000	10,000	AMD	12.50%	November 2026	50,556
Finca UCO	Ba3*	700	50,000	AMD	11.75%	November 2027	35,643
Finca UCO	Ba3*	500	100	USD	7.50%	May 2025	19,955
Fast Bank CJSC	Ba3*	550	100,000	AMD	10.25%	October 2027	56,263
Fast Bank CJSC	Ba3*	1,000	100	USD	6.00%	December 2025	39,761
Electric Networks of Armenia CJSC	Ba2	500	100,000	AMD	11.40%	December 2026	50,306

Notes to the Financial Statements

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

	Rating (Moody's)	Quantity	Par value each	Currency	Coupon rate	Maturity	31 December 2024
Electric Networks of Armenia CJSC	Ba2	500	100	USD	7.25%	July 2028	20,487
Converse Bank CJSC	Ba3	1,000	50,000	AMD	10.25%	April 2026	51,040
							324,011

	Rating (Moody's)	Quantity	Par value each	Currency	Coupon rate	Maturity	31 December 2023
Ameriabank CJSC	Ba2	720	100,000	AMD	9.75%	February 2024	72,796
Finca UCO	Ba3*	2,000	10,000	AMD	13.00%	November 2024	20,316
Finca UCO	Ba3*	2,000	25	USD	6.50%	June 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%	July 2024	20,444
							154,065

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

** One notch below Armenia Moody's rating is used, as the issuer is not rated by Moody's, Fitch or S&P.

	Rating (Moody's)	Nominal price	Contract price	Currency	Yield rate	Maturity	31 December 2024
Government bond	Ba3	60,000	54,967	AMD	9.08%	September 2025	56,525
Government bond	Ba3	55,000	50,266	AMD	9.34%	May 2025	53,272
							109,797

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

16 Property, equipment and intangible assets

	Computer equipment, fixtures and fittings	Right-of-use assets	Intangible assets	Total
Cost				
Balance at 1 January 2023	75,660	107,124	794	183,578
Additions	10,175	11,339	-	21,514
Balance at 31 December 2023	85,835	118,463	794	205,092
Additions	6,461	77,625	-	84,086
Disposals	(1,484)	(118,463)	-	(119,947)

Notes to the Financial Statements

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

	Computer equipment, fixtures and fittings	Right-of-use assets	Intangible assets	Total
Balance at 31 December 2024	90,811	77,625	794	169,231
Accumulated depreciation and impairment				
Balance at 1 January 2023	43,426	78,161	658	122,245
Charge for the year	11,985	32,889	133	45,007
Balance at 31 December 2023	55,411	111,050	791	167,252
Charge for the year	14,164	32,210	4	50,331
Eliminated on disposal	(1,027)	(114,510)	-	(115,537)
Balance at 31 December 2024	68,548	28,750	794	98,093
Carrying amount				
Balance at 31 December 2023	30,424	7,413	3	37,840
Balance at 31 December 2024	22,263	48,875	-	71,138

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, along with the capital expenditures on leased property and equipment as right-of-use asset, and depreciated it over the lease term, which is three years. During the current year the contract was extended for another two years. The company made advance payment at the beginning of the lease term. The related obligation is presented under “lease liabilities”.

17 Trade and other receivables

	2024	2023
Receivables from related party recoverable expenses	79,312	63,654
Receivables from general operations	7,537	5,817
Receivables from related party IT and consultancy fee	-	36,660
Prepaid taxes	13,802	3,638
Prepaid expenses	19,654	17,982
Other receivables	390	1,080
Total trade and other receivables	120,695	128,831

18 Financial assets and liabilities

18.1 Categories of financial instruments

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 [and equity instrument] are disclosed in Note 4.9. The carrying amounts of financial assets and financial liabilities in each category are as follows:

Notes to the Financial Statements

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

Financial assets

	31 December 2024	31 December 2023
Amortized cost		
Cash and cash equivalents	72,270	290,471
Short-term bank deposits	95,459	136,805
Amounts due from intermediaries	55,062	56,390
Investments at amortized cost	433,809	245,319
Trade and other receivables	87,239	107,211
Total financial assets at amortized cost	743,839	836,196
Fair value through profit or loss		
Derivative assets	77	141
Total financial assets at fair value through profit or loss	77	141
Total financial assets	743,916	836,337

Financial liabilities

	31 December 2024	31 December 2023
Amortized cost		
Deposits from customers	87,715	120,618
Lease liabilities	46,363	914
Accrued liabilities	10,712	81,786
Total financial liabilities at amortized cost	144,788	203,318
Fair value through profit or loss		
Derivative liabilities	484	187
Total financial liabilities at fair value through profit or loss	484	187
Total financial liabilities	145,272	203,505

The carrying amounts of financial assets and liabilities are considered a reasonable approximation of fair value.

19 Deferred income tax assets

The movement of deferred income taxes is disclosed below:

	2024	2023
Balance at the beginning of year	20,625	10,385
(Charged) credited to profit or loss	(14,899)	10,240
Balance at the end of year	5,726	20,625

Deferred income taxes for the year ended 31 December 2024 can be summarized as follows:

Notes to the Financial Statements

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

	1 January 2024	Recognized in profit or loss	31 December 2024
Deferred income tax assets			
Derivative liabilities	34	8,311	8,345
Accrued expenses	6,608	(6,521)	87
Lease liabilities	164	5,941	6,105
Tax loss	15,178	(15,178)	-
	21,984	(7,447)	14,537
Deferred income tax liabilities			
Right of use assets	1,334	7,463	8,797
Derivative assets	25	(11)	14
	1,359	7,452	8,811
Net position – deferred income tax assets	20,625	(14,899)	5,726

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

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

20 Deposits from customers

	31 December 2024	31 December 2023
Amounts due to customers and intermediaries	87,715	120,618
Total contract liabilities	87,715	120,618

Deposits from customers are adjusted for their trading profit and loss and commission charges.

Refer to Note 24 for the currencies in which the amounts due to customers and intermediaries are denominated.

21 Accrued liabilities

	31 December 2024	31 December 2023
Accrued liabilities to employees	23,126	26,239
Accrued taxes and duties	-	21,887
Accrued professional services	8,602	14,332

Notes to the Financial Statements

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

	31 December 2024	31 December 2023
IT service and platform maintenance fee	243	58,887
Other	1,867	8,567
Total accrued liabilities	33,838	129,912

22 Equity

22.1 Share capital

Number of shares unless otherwise stated	Ordinary shares	Ordinary shares
	2024	2023
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.

22.2 Reserve capital

The 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.

23 Related parties

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

23.1 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.

In 2025 the Company announced about change of its shareholder (refer to note 28).

23.2 Transactions with related parties

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

Transactions	2024	2023
Key management		
Salary and other benefits	77,397	74,933
Statutory pension scheme	3,150	3,131
Insurance	1,917	2,251
Entities under common control		
Brokerage commission costs	740	1,538
Rendering of services	575,800	420,086
Cash transferred to intermediaries	-	49,505
Acquisition of services	75,719	71,650

Outstanding balances	2024	2023
Key management		
Vacation reserve	8,934	9,284
Entities under common control		
Investments at amortized cost		
Amounts due from (to) customers and intermediaries	55,062	56,390
Trade and other receivables	79,312	108,014
Accrued liabilities	423	60,154

24 Contingent liabilities

24.1 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.

These facts may create tax risks in Armenia substantially more than in other developed countries. 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.

25 Financial instruments risk

Risk management objectives and policies

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.

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.

25.1 Market risk analysis

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

Foreign currency risk

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 analyse currency exchange rate risk. The Company mitigates foreign currency risk by continuously monitoring exposures in foreign currencies, matching the exposure of foreign currency receivables and payables and corrective measures are initiated wherever required.

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:

Notes to the Financial Statements

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

Item

31 December 2024	USD	Euro	GBP
Financial assets			
Cash and cash equivalents	57,750	6,977	4,749
Amounts due from intermediaries	18,782	36,357	-
Derivative assets	77	-	-
Investments at amortized cost	80,204	-	-
Trade and other receivables	75,719	-	-
Total financial assets	232,531	43,334	4,749
Financial liabilities			
Deposits from customers	54,335	34,523	(1,082)
Other liabilities	243	-	-
Derivative liabilities	484	-	-
Total financial liabilities	55,062	34,523	(1,082)
Net position	177,469	8,811	5,831

Item

31 December 2023	USD	Euro	GBP
Financial assets			
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	-	-
Trade and other receivables	100,314	-	-
Total financial assets	396,227	56,239	1,318
Financial liabilities			
Deposits from customers	73,343	48,594	(1,319)
Other liabilities	60,154	-	-
Derivative liabilities	187	-	-
Total financial liabilities	133,684	48,594	(1,319)
Net position	262,543	7,645	2,637

The following table details the Company's sensitivity to a 10% (2023: 10%) increase and decrease in dram against USD. 10% (2023: 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% (2023: 10%) change in foreign currency rates.

If Armenian dram had strengthened against USD and Euro by 10% (2023: 10%) then this would have had the following impact:

	2024	2023
USD	17,747	26,254
Euro	881	765
GBP	583	264

Notes to the Financial Statements

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

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.

25.2 Credit risk analysis

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

	31 December 2024	31 December 2023
Cash and cash equivalents	72,270	290,471
Short-term bank deposits	95,459	136,805
Amounts due from intermediaries	55,062	56,390
Investments at amortized cost	433,809	245,319
Trade and other receivables	87,239	107,211
Derivative assets	77	141
Total financial assets at amortized cost	743,916	836,337

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 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.

25.3 Liquidity risk analysis

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 cash equivalents, as well as highly liquid assets for making all operational and debt service related payments when those become due.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

2024	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Total
Assets					
Cash and cash equivalents	72,270	-	-	-	72,270
Short-term bank deposits	-	-	95,458	-	95,458
Investments at amortized cost	-	-	169,514	264,295	433,809
Amounts due from intermediaries	55,062	-	-	-	55,062
Trade and other receivables	87,239	-	-	-	87,239
	214,571	-	264,972	264,295	743,838
Liabilities					
Lease liabilities	2,971	11,458	23,913	8,021	46,363
Deposits from customers	87,715	-	-	-	87,715
Other liabilities	10,469	-	-	-	10,469
Total potential future payments for financial obligations	101,155	11,458	23,913	8,021	144,547

Notes to the Financial Statements

For the year ended 31 December 2024 (expressed in thousands of Armenian drams (AMD))

2024	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Total
Net liquidity position	113,416	(11,458)	241,059	256,274	599,291

2023	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Total
Assets					
Cash and cash equivalents	290,471	-	-	-	290,471
Short-term bank deposits	-	-	136,805	-	136,805
Investments at amortized cost	-	72,660	152,358	20,301	245,319
Amounts due from intermediaries	56,390	-	-	-	56,390
Trade and other receivables	36,660	-	70,551	-	107,211
	383,521	72,660	359,714	20,301	836,196
Liabilities					
Lease liabilities	914	-	-	-	914
Deposits from customers	120,618	-	-	-	120,618
Other liabilities	22,899	-	58,887	0	81,786
Total potential future payments for financial obligations	144,431	-	58,887	-	203,318
Net liquidity position	239,090	72,660	300,827	20,301	632,878

26 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).

26.1 Fair value measurement of financial instruments

Measurement of fair value 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 carrying amounts of bank deposits, trade receivables and investments in securities 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.

27 Capital management policies and procedures

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 in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to 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 paid 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 (2023: nil).

27.1 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 in order to support its business and to maximize shareholders' value.

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

	Actual Capital 31 December 2024	Actual Capital 31 December 2023	Normative set by the Central Bank of Armenia
Minimum size of total capital	675,004	682,971	300,000
Minimum size of share capital	348,683	348,683	1,000