In thousands of Georgian Lari	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	7	6,482	6,726
Issued loans	6	2,381	77
Intangible assets		12	12
Total non-current assets		**8,875**	**6,815**
Current assets			
Inventories	8	2,394	2,389
Trade and other receivables	9	1,216	871
Cash and cash equivalents	10	1,220	1,050
Total current assets		**4,830**	**4,310**
TOTAL ASSETS		**13,705**	**11,125**
EQUITY			
Share capital	11	7,927	7,927
Share premium	11	159	159
Retained earnings		1,792	171
Other reserves	6	(8,412)	(4,971)
TOTAL EQUITY		**1,466**	**3,286**
LIABILITIES			
Non-current liabilities			
Borrowings	12	8,230	4,349
Total non-current liabilities		**8,230**	**4,349**
Current liabilities			
Borrowings	12	1,077	1,572
Trade and other payables	13	2,932	1,918
Total current liabilities		**4,009**	**3,490**
TOTAL LIABILITIES		**12,239**	**7,839**
TOTAL LIABILITIES AND EQUITY		**13,705**	**11,125**

Approved for issue and signed on 9 August 2021.

Zaza Macharashvili
General Director

JSC PANEX
Statement of Profit or Loss and Other Comprehensive Income

In thousands of Georgian Lari	Note	2020	2019
Revenue	14	**13,601**	**14,558**
Cost of sales		(10,572)	(10,580)
Gross profit		**3,029**	**3,978**
Other income		43	25
General and administrative expenses	15	(1,169)	(856)
Operating profit		**1,903**	**3,147**
Finance income		68	-
Finance costs	16	(1,397)	(182)
Profit before income tax		**574**	**2,965**
Income tax benefit/(expense)		-	-
PROFIT FOR THE YEAR		**574**	**2,965**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**574**	**2,965**

The accompanying notes on pages 5 to 16 are an integral part of these financial statements.

In thousands of Georgian Lari	Notes	Share capital	Share premium	Other reserves	Retained earnings / (Accumulated deficit)	Total
Balance at 1 January 2019		**7,927**	**159**	-	**(2,794)**	**5,292**
Profit for the year		-	-	-	2,965	2,965
Total comprehensive loss for the year		-	-	-	2,965	2,965
Recognition of joint borrowing from bank	6,12	-	-	(5,969)	-	(5,969)
Cash contribution of joint borrowing from bank	6,12	-	-	921	-	921
Repayment of joint borrowing from bank	6 12	-	-	77	-	77
Balance at 31 December 2019		**7,927**	**159**	**(4,971)**	**171**	**3,286**
Profit for the year		-	-	-	574	574
Total comprehensive income for the year		-	-	-	574	574
Recognition of joint borrowing from bank	6,12	-	-	(8,625)	-	(8,625)
Repayment of joint borrowing from bank	6,12	-	-	6,231	-	6,231
Transfer of interest expense and foreign exchange effect to retained earnings upon joint borrowing repayment	6,12	-	-	(1,047)	1,047	-
Balance at 31 December 2020		**7,927**	**159**	**(8,412)**	**1,792**	**1,466**

In thousands of Georgian Lari	Note	2020	2019
Cash flows from operating activities			
Profit before income tax		574	2,965
Adjustments for:			
Depreciation of property, plant and equipment	7	258	241
Finance costs	16	537	205
Finance income		(68)	-
Impairment of trade and other receivables		55	-
Foreign exchange loss/(gain)	16	860	(23)
Operating cash flows before working capital changes in:		**2,216**	**3,388**
Trade and other receivables		(407)	(290)
Inventories		(5)	(884)
Trade and other payables		897	(1,607)
Changes in working capital		**485**	**(2,781)**
Interest income received		7	-
Interest paid		(23)	(107)
Net cash from operating activities		**2,685**	**500**
Cash flows from investing activities			
Purchases of property, plant and equipment		(14)	(537)
Loans granted to related parties	6	(2,887)	(77)
Loan repayments received from related parties		509	-
Net cash used in investing activities		**(2,392)**	**(614)**
Cash flows from financing activities			
Cash withdrawal of restricted account		-	1,252
Proceeds from borrowings	12	3,174	-
Repayment of borrowings	12	(2,510)	(1,588)
Proceeds of joint borrowing from bank	12	-	921
Repayment of joint borrowing from bank	12	(899)	-
Net cash (used in)/from financing activities		**(235)**	**585**
Effect of exchange rate changes on cash and cash equivalents		112	(41)
Cash and cash equivalents at the beginning of the year	10	**1,050**	**620**
Cash and cash equivalents at the end of the year	10	**1,220**	**1,050**

1 General Information

JSC Panex is a joint stock company incorporated on 18 March 2014 in accordance with Georgian regulations and is registered by LEPL National Agency of Public Registry with identification number: 405034911.

According to the shareholders agreement, dated 17 March 2014, ICES LLC (limited liability company incorporated and domiciled in Georgia) and JSC Partnership Fund (joint stock company incorporated and domiciled in Georgia and owned by the Government of Georgia) established a joint venture through establishment of JSC Panex, whereby the ICES LLC agreed to hold majority of the Company's shares and JSC Partnership Fund up to maximum 49% of shareholding.

As at 31 December 2020 and 2019 the Company's shareholders were as follows:

Shareholder	31 December 2020	31 December 2019
ICES LLC	100%	51.83%
JSC Partnership Fund	-	48.17%
Total	**100%**	**100%**

On 29 September 2020 LLC ICES repurchased all outstanding shares and became 100% shareholder of JSC Panex. The updated shareholding was officially registered in share register of National Agency of Public Registry of Ministry of Justice of Georgia on 28 December 2020. The repurchase was financed via the joint borrowing obtained from JSC Basisbank (Note 12).

As at 31 December 2020 and 2019 DK LLC Holding was 100% shareholder of ICES LLC. LLC DK Holding is owned by two individuals Akaki Paichadze, 70% shareholding and Davit Kighuradze, 30% shareholding, respectively.

Principal activity. The Company manufactures and sells energy efficient construction materials (polyurethane), wall and roof sandwich panels as well as provides installation services to diverse customers on local market.

Registered address and place of business. The Company's registered address is #48 Chavchavadze eve. / #2 Taktakishvili street, apartment 43, Tbilisi, Georgia. The Company's principal place of business is Rustavi highway 17th km., Georgia.

Presentation currency. These financial statements are presented in Georgian Lari ("GEL"), unless otherwise stated.

2 Operating Environment of The Company

The Company's principal business activities are within Georgia. Georgia displays certain characteristics of an emerging market, including relatively high inflation and high interest rates. Georgian tax legislation is subject to varying interpretations and frequent changes.

The future economic direction of Georgia is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory and political developments.

On 12 March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic. In response to the pandemic, the Government implemented numerous measures attempting to contain the spreading and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity, including closures. These measures have had a negative impact on the economy and local businesses. The Company's management has taken appropriate steps to minimize the impact of the pandemic on the Company's operations. The administrative department switched to remote working mode for the first few month of 2020, while production staff was working full time on site in compliance with all the rules. As a result, the impact on the Company's operations was minimized.

2 Operating Environment of The Company (Continued)

Despite the challenges arising from the pandemic, Government's supported infrastructure investments, increased spending on roads and construction sector projects, which as a result had favorable impact on the Company's operations.

Management is unable to predict all developments which could have an impact on the Georgian economy and consequently what effect, if any, they could have on the future financial position of the Company. Management believes it is taking all the necessary measures to support the sustainability and development of the Company's business.

3 Basis of Preparation

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and with the requirements of the Law of Georgia on Accounting, Reporting and Auditing.

The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 5.

4 Summary of Significant Accounting Policies

Foreign currency translation. The functional currency of the Company is the currency of the primary economic environment in which the entity operates. The functional and presentation currency of the Company is the national currency of Georgia, Georgian Lari.

Monetary assets and liabilities denominated in foreign currency are translated into GEL at the official exchange rate of the National Bank of Georgia ("NBG") at the respective end of the reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions are recognised in profit or loss as finance income or costs.

Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

At 31 December 2020, the principal rate of exchange used for translating foreign currency balances was USD 1 = GEL 3.2766 (2019: USD 1 = GEL 2.8677) and EUR 1 = 4.0233 (2019: EUR 1 = GEL 3.2095). The principal average rate of exchange used for translating income and expenses was USD 1 = GEL 3.1097 (2019: USD 1 = GEL 2.8192) and EUR 1 = 3.5519 (2019: EUR 1 = GEL 3.1553).

At present, the Georgian Lari is not a freely convertible currency in most countries outside of Georgia.

Property, plant and equipment. Property, plant and equipment are stated at cost, less accumulated depreciation and provision for impairment, where required. Property, plant and equipment includes assets under construction for future use as property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is retired.

4 Summary of Significant Accounting Policies (Continued)

At the end of each reporting period management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year.

Depreciation. Land and construction in progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

Categories of property and equipment	**Useful lives in years**
Building	50
Plant and equipment	2-35
Furniture and others (computers and technical equipment)	2-6

The residual value of an asset is the estimated amount that the Company would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

Cash and cash equivalents. Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Restricted balances are excluded from cash and cash equivalents for the purposes of the cash flow statement. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period are included in Cash and cash equivalents.

Inventories. Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on the weighted average basis. The cost of finished goods comprises raw material, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Trade and other receivables. Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Loans issued. Loans issued are recognised initially at fair value, subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Revenue recognition. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

Sales of goods. Revenues from sales of goods are recognised at the point of transfer of risks and rewards of ownership of the goods, normally when the goods are shipped. If the Company agrees to transport goods to a specified location, revenue is recognised when the goods are passed to the customer at the destination point.

Sales are shown net of VAT and discounts. Revenues are measured at the fair value of the consideration received or receivable.

4 Summary of Significant Accounting Policies (Continued)

Rendering of services. Sales of services are recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Trade and other payables. Trade payables are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

Borrowings. Borrowings are carried at amortised cost using the effective interest method.

Income taxes. Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period.

On 13 May 2016 the Government of Georgia enacted the changes in the Tax Code of Georgia whereby companies (other than banks, credit unions, insurance companies, microfinance organizations and pawn shops) do not have to pay income tax on their profit earned from 1 January 2017, until that profit is distributed or deemed distributed in a form of dividend. The income tax at 15% is payable on gross up value (i.e. net dividends shall be grossed up by withholding tax 5%, if applicable, and divided by 0.85) at the moment of the dividend payment to individuals or to non-resident legal entities. Dividends paid to resident legal entities from the profits earned since 1 January 2017 are tax exempted. Dividends on earnings accumulated during the period from 1 January 2008 to 1 January 2017 is subject to income tax on grossed up value, reduced by respective tax credit calculated as a share of corporate income tax declared and paid on taxable profits vs total net profits for the same period multiplied to the dividend to be distributed. However, tax credit amount should not exceed the actual income tax imposed on dividend distribution.

Income tax arising from distribution of dividends is accounted for as an income tax expense in the period in which dividends are declared, regardless of the actual payment date or the period for which the dividends are paid. As a result, the Company derecognised all deferred tax assets and liabilities as of 31 December 2016 and accounted the respective impact in the profit and loss in 2016. A contingent income tax liability which would arise upon the payment of dividends is not recognised in the statement of financial position. In addition to the distribution of dividends, the tax is payable on expenses or other payments incurred not related to economic activities, free delivery of assets or services and representation costs that exceed the maximum amount determined by the Tax Code of Georgia. All advances paid to entities registered in jurisdictions having preferential tax regime and other certain transactions with such entities as well as loans granted to individuals or non-residents are immediately taxable. Such taxes along with other taxes, net of tax credits claimed on assets or services received in exchange for the advances paid to entities registered in jurisdictions having preferential tax regime or recovery of loans granted to individuals or non-residents, are recorded under Taxes other than on income within operating expenses.

Value added tax. Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. Input VAT related to acquisition of Property, Plant and Equipment items are deferred for 5 to 10 years for entities having more than 20% of its turnover exempt from VAT without right to credit. Where provision has been made for receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Prepayments. Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after

one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Share capital. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair

4 Summary of Significant Accounting Policies (Continued)

value of consideration received over the par value of shares issued is recorded as share premium in equity. Share capital amount represent those ordinary shares which were issued and fully paid by the respective shareholders. Shares issued and unpaid are disclosed in Note 11.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Interest income. Interest income is recognised on a time-proportion basis using the effective interest method.

Amendment of the financial statements after issue. Any changes to these financial statements after issue require approval of the Company's management who authorised these financial statements for issue.

5 Information about Key Sources of Estimation, Uncertainty and Judgements

The Company makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Useful lives of property, plant and equipment. The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Company. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates.

Impairment of trade and other receivables. The impairment provision for accounts receivable is based on the Company's assessment of the collectability of specific customer accounts. If there is deterioration in a major customer's creditworthiness or actual defaults are higher than the estimates, the actual accounts receivable could differ from these estimates. If the Company determines that no objective evidence exists that impairment was incurred for an individually assessed accounts receivable, whether significant or not, it includes the account receivable in a group of accounts receivable with similar credit risk characteristics and collectively assesses them for impairment.

For the purposes of a collective evaluation of impairment accounts receivable are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Trade receivables that are assessed not to be impaired individually are assessed collectively for impairment by reference to the Company's historical collection experience for receivables of similar age. Provisions against trade receivables are made based on historical experience of levels of recovery from accounts in a particular ageing category. The value of the impairment provision is sensitive to the specific percentages applied.

Actual results may differ from the estimates and the Company's estimates can be revised in the future, either negatively or positively, depending upon the outcome or expectations based on the facts surrounding each exposure (Note 9).

6 Balances and Transactions with Related Parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Outstanding balances with related parties were as follows:

In thousands of Georgian Lari	**Relationship**	**31 December 2020**	**31 December 2019**
Trade and other receivables	Shareholder - ICES LLC	17	-
Trade and other receivables	EUCC* - ICES trade LLC	35	35
Trade and other receivables	Other - LLC Metalservice	-	17
Loans issued***	Shareholder - ICES LLC	2,381	77
Advances paid	Shareholder - JSC Partnership Fund	-	75
Advances paid	EUCC - Fulcrum LLC	-	263
Trade and other payables	Shareholder - ICES LLC	-	(186)
Trade and other payables	EUCC - ICES trade LLC	(54)	(54)
Advances received	EUCC - EMA Engineering	-	(46)
Borrowing from related party**	EUCC - Fulcrum LLC	(766)	-
Borrowing from shareholder**	Shareholder - ICES LLC	(242)	(239)
Joint borrowing from bank**	Shareholder - ICES LLC	(8,299)	(5,682)

* EUCC - entity under common control

** For the equity transactions and borrowings with the shareholders and related parties refer to the share capital and borrowings' Notes (12 and 11).

*** The Company issued a loan to ICES LLC under the credit line agreement dated 30 December 2019. The credit limit equals to USD 2,500 thousand, bears annual interest rate of 6.8% and matures on 30 December 2024. In 2020, JSC Panex has disbursed USD 893 thousand to ICES LLC under the credit line agreement in twenty tranches.

The income and expense items with related parties were as follows:

In thousands of Georgian Lari	**Relationship**	**2020**	**2019**
Revenue	Shareholder - ICES LLC	114	13
Revenue	EUCC - Fulcrum LLC	-	9
Revenue	EUCC - EMA Engineering	-	1
Other income	Shareholder - ICES LLC	25	25
Interest income	Shareholder - ICES LLC	61	-
Interest expense	Shareholder - ICES LLC	14	59
Interest expense	EUCC - Fulcrum LLC	13	-
Interest expense on Joint borrowing from bank**	Shareholder - ICES LLC	489	39
Foreign exchange gain on Joint borrowing from bank**	Shareholder - ICES LLC	71	(203)

Key management compensation. Compensation paid to key management for the services in full time executive management positions is made up of a contractual salary of GEL 388 thousand in 2020 (2019: GEL 250 thousand), respectively.

7 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

In thousands of Georgian Lari	Land	Buildings	Plant and equipment	Furniture and others	Total
Cost at 1 January 2019	589	2,501	5,312	44	8,446
Accumulated depreciation	-	(375)	(1,155)	(34)	(1,564)
Carrying amount at 1 January 2019	**589**	**2,126**	**4,157**	**10**	**6,882**
Additions	-	17	59	10	86
Disposals	-	-	-	(1)	(1)
Depreciation charge	-	(49)	(185)	(7)	(241)
Carrying amount at 31 December 2019	**589**	**2,094**	**4,031**	**12**	**6,726**
Cost at 1 January 2020	589	2,518	5,371	53	8,531
Accumulated depreciation	-	(424)	(1,340)	(41)	(1,805)
Carrying amount at 1 January 2020	**589**	**2,094**	**4,031**	**12**	**6,726**
Additions	-	12	-	2	14
Disposals	-	-	-	-	-
Depreciation charge	-	(53)	(200)	(5)	(258)
Carrying amount at 31 December 2020	**589**	**2,053**	**3,831**	**9**	**6,482**
Cost at 31 December 2020	589	2,530	5,371	55	8,545
Accumulated depreciation	-	(477)	(1,540)	(46)	(2,063)
Carrying amount at 31 December 2020	**589**	**2,053**	**3,831**	**9**	**6,482**

As at 31 December 2020 all property, plant and equipment were pledged as a security to JSC Basisbank per agreement on joint borrowing (Note 12).

8 Inventories

In thousands of Georgian Lari	31 December 2020	31 December 2019
Finished goods	876	693
Raw materials	1,518	1,519
Inventory in transit	-	177
Total inventories	**2,394**	**2,389**

9 Trade and Other Receivables

In thousands of Georgian Lari	31 December 2020	31 December 2019
Trade receivables	918	591
Less: impairment loss provision	(318)	(263)
Total financial assets within trade and other receivables	**600**	**328**
Prepayments	472	504
Other tax receivables, net	144	39
Total trade and other receivables	**1,216**	**871**

Movements in the impairment provision for trade and other receivables are as follows:

In thousands pf Georgian Lari	31 December 2020	31 December 2019
Provision for impairment at 1 January	**263**	**263**
Provision for impairment during the year	55	-
Amounts written off during the year as uncollectible	-	-
Provision for impairment at 31 December	**318**	**263**

10 Cash and Cash Equivalents

In thousands of Georgian Lari	31 December 2020	31 December 2019
Bank balances payable on demand	1,220	1,050
Total cash and cash equivalents	**1,220**	**1,050**

11 Share Capital

As at 31 December 2019, the total authorized number of ordinary shares is 4,752,688, with a par value of 1 USD per share, out of which 2,463,088 shares, 51.83% were held by ICES LLC and 2,289,600 shares, 48.17% by JSC Partnership Fund.

According to the shareholders agreement (Note 1) the Company had obligation to repurchase its own shares from JSC Partnership Fund unless ICES LLC would exercise its call option within five years. On 19 September 2019 JSC Partnership Fund and ICES LLC signed addendum #2 to the shareholders agreement, according to which the parties agreed that ICES LLC or JSC Panex separately or jointly would fully purchase the shares owned by JSC Partnership Fund. USD 1,700 thousand would be paid in 2019 and the remaining would be paid in three equal tranches from 2020 to 2022. On 2 December 2019 ICES LLC repaid USD 1,700 thousand for JSC Panex shares to JSC Partnership Fund. LLC ICES repurchased all outstanding shares and became 100% shareholder of JSC Panex on 29 September 2020. The updated shareholding was officially registered in share register of National Agency of Public Registry of Ministry of Justice of Georgia on 28 December 2020.

As of 31 December 2020, the total authorized number of ordinary shares is 4,752,688 with a par value of 1 USD per share, out of which 100% is held by ICES LLC. Number of ordinary shares issued and fully paid-in was 4,030,325 shares. On 30 October 2020 JSC Partnership Fund and ICES LLC signed an agreement according to which parties agreed that share repurchase was finalized on 29 September 2020 and original shareholders agreement (Note 1) became annulated. Hence, JSC Panex no longer has legal right to request repayment of unpaid shares from ICES LLC.

12 Borrowings

In thousands of Georgian Lari	31 December 2020	31 December 2019
Non-current borrowings		
Borrowing from related party (i-viii)	766	98
Joint borrowing from bank (ix-x)	7,464	4,251
Total non-current	**8,230**	**4,349**
Current borrowings		
Borrowing from related party (i-viii)	242	141
Joint borrowing from bank (ix-x)	835	1,431
Total current borrowings	**1,077**	**1,572**
Total borrowings	**9,307**	**5,921**

Borrowings from related party

(i) According to the loan agreement signed on 30 March 2016 the Company obtained a loan from LLC ICES in amount of GEL 118 thousand for the purpose of financing working capital requirements. The annual interest rate is at 14.5% and the loan matures on 9 September 2020. As of 31 December 2020, the loan principal amount is fully repaid and outstanding interest of GEL 70 thousand remains.

(ii) According to the loan agreement signed on 9 February 2017 the Company obtained a loan from LLC ICES in amount of GEL 121 thousand for the purpose of financing working capital requirements. The annual interest rate is at 12% and the loan matures on 9 February 2020. As at 31 December 2020, the loan principal amount is fully repaid and outstanding interest of GEL 29 thousand remains.

(iii) According to the loan agreement signed on 4 May 2017 the Company obtained a loan from LLC ICES in amount of GEL 110 thousand for the purpose of financing working capital requirements. The annual interest rate is at 12% and the loan matures on 4 May 2020. As at 31 December 2020, the loan principal amount is fully repaid and outstanding interest of GEL 23 thousand remains.

12 Borrowings (Continued)

(iv) According to the loan agreement signed on 5 July 2017 the Company obtained a loan from LLC ICES in amount of GEL 60 thousand for the purpose of financing working capital requirements. The annual interest rate is at 12% and the loan matures on 5 July 2020. As at 31 December 2020, the loan principal amount is fully repaid and outstanding interest of GEL 15 thousand remains.

(v) According to the loan agreement signed on 29 March 2018 the Company obtained a loan from LLC ICES in amount of GEL 140 thousand for the purpose of financing working capital requirements. The annual interest rate is at 12% and the loan matures on 29 March 2021. As at 31 December 2020, the loan principal amount is fully repaid and outstanding interest of GEL 27 thousand remains.

(vi) According to the loan agreement signed on 12 April 2018 the Company obtained a loan from LLC ICES in amount of GEL 133 thousand for the purpose of financing working capital requirements. The annual interest rate is at 12% and the loan matures on 12 April 2021. As at 31 December 2020, the loan principal amount is fully repaid and outstanding interest of 25 thousand remains.

(vii) According to the loan agreement signed on 28 June 2018 the Company obtained a loan from LLC ICES in amount of GEL 130 thousand for the purpose of financing working capital requirements. The annual interest rate is at 12% and the loan matures on 28 June 2021. As at 31 December 2020, the loan principal amount is fully repaid and outstanding interest of 53 thousand remains.

(viii) According to the loan agreement signed on 25 September 2020 the Company obtained a loan from LLC Fulcrum in amount of USD 230 thousand for the purpose of financing working capital requirements. The annual interest rate is at 6.9% and the loan matures on 25 September 2023.

Joint borrowing from bank

(ix) According to the loan agreement signed on 30 November 2019 the Company as a co-borrower along with ICES LLC obtained a loan from JSC BasisBank in amount of USD 2,010 thousand, for the purpose of (i) cover the borrowing obtained from TBC Bank, in amount of USD 310 thousand and (ii) ICES to repurchase the part of the shares from JSC Partnership Fund. The annual interest rate equals to fixed annual rate 6.10% plus 6-month LIBOR and the loan matures on 30 November 2026. According to the loan agreement: "All borrowers are co-borrowers / solidary debtors, which means that they fulfil the obligations under this agreement both jointly and separately. The right of the Bank as well as all the obligations of the Borrower, shall apply equally, without limitation, to each Borrower under this Agreement. According to this clause, the Company has an unconditional obligation to pay cash. Consequently, the total loan was recognised by the Company with corresponding entry to equity, Other Reserves. This amount was reduced by the repayment and above described cash receipt of JSC Panex.

(x) The above described borrowing was refinanced via new joint borrowing from JSC Basisbank. Accordingly, the loan has been derecognized by the Company with corresponding entry to equity, Other Reserves. According to the loan agreement signed on 29 September 2020, the Company as a co-borrower along with ICES LLC obtained a loan from JSC BasisBank in amount of USD 2,600 thousand, for the purpose of (i) cover the previous joint borrowing obtained from JSC Basisbank on 30 November 2019 and (ii) ICES to repurchase all outstanding shares from Partnership Fund and become 100% owner of the Company. The annual interest rate equals to fixed annual rate 6.08% plus 6-month LIBOR rate and the loan matures on 29 September 2028. Consequently, new loan has been recognised by the Company with corresponding entry to equity, Other Reserves.

13 Trade and Other Payables

In thousands of Georgian Lari	**31 December 2020**	**31 December 2019**
Trade payables	1,619	1,432
Advances received	1,313	460
Accrued employee benefit costs	-	26
Trade and other payables	**2,932**	**1,918**

14 Revenue

In thousands of Georgian Lari	2020	2019
Sales of goods	13,393	14,184
Rendering of services	208	374
Total revenue	**13,601**	**14,558**

15 General and Administrative Expenses

In thousands of Georgian Lari	2020	2019
Staff costs	534	409
Professional service fees	142	123
Transportation costs	125	80
Provision charge for slow moving inventory	97	-
Taxes other than on income	58	74
Provision for impairment of accounts receivables	55	-
Security services	44	20
Utility expense	18	20
Bank charges	14	22
Representative expenses	-	26
Other general and administrative expenses	82	82
Total general and administrative expenses	**1,169**	**856**

16 Finance Costs

In thousands of Georgian Lari	2020	2019
Interest expense	537	205
Foreign exchange loss/(gain), net	860	(23)
Total finance costs	**1,397**	**182**

17 Contingencies and Commitments

Tax legislation. The taxation system in Georgia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of government bodies, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however, under certain circumstances a tax year may remain open longer. These circumstances may create tax risks in Georgia that are substantially more significant than in many other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Georgian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their own interpretations, could be significant.

17 Contingencies and Commitments (Continued)

Legal proceedings. From time to time and in the normal course of business, claims against the Company may be received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these financial statements.

Assets pledged and restricted. For details regarding assets pledged and restricted refer to Note 7.

Environmental matters. The enforcement of environmental regulation in Georgia is evolving and the enforcement posture of government authorities is continually being reconsidered. The Company periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

18 Financial Instruments

In thousands of Georgian Lari	2020	2019
Financial assets		
Financial assets measured at amortised cost less impairment	4,201	1,455
Financial liabilities		
Financial liabilities measured at amortised cost	10,926	7,353