SmartSoft LLC

Financial Statements
and
Independent Auditor's Report

As at 31 December 2022

SmartSoft LLC
Table of Content

INDEPENDENT AUDITORS' REPORT

To the shareholders of SmartSoft LLC
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SmartSoft LLC (the Company) which comprise the statement of financial position as at 31, December 2022, and the statement of 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 significant accounting policies.

In our opinion, except for the effects of the matter described in the basis for the qualified opinion,the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs for SME).

Basis of qualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our obligations under these standards are described in more detail in the Financial Statements section of our report entitled – "Auditor's Obligations for the Audit of Financial Statements". We are independent of the Company in accordance with the Code of Ethics for Professional Accountants (IESBA Code) of the International Board of Ethical Standards and the ethics requirements related to our audit in Georgia. In our opinion, the audit evidence we have obtained is appropriate and provides a sufficient basis for our opinion.

important circumstances

We would like to draw your attention to explanatory note #6, the company has not created an impairment reserve, we could not perform an alternative work and could not determine the possible material effect on the results of the financial statements, therefore our opinion was not modified.

Management's responsibility 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

No other matters were communicated with management.

We also have provided management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence.

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

The engagement partner on the audit resulting in this independent auditor's opinion report is Irma Ioseliani (SARAS-A-972235).

September 29, 2023
Tbilisi, Georgia

Financial statements

SmartSoft LLC
Statement of financial position
as at, 31 December 2022

	Note	31.12.2022	31.12.2021
Assets			
Non-Current Assets			
Property and equipment	5	8,828,409	293,266
Intangible Assets	6	206,406	53,109
Total Non-Current Assets		**9,034,815**	**346,374**
Current Assets			
Trade and other Receivables	7	3,790,329	2,016,710
Cash and Cash Equivalents	8	1,209,398	131,092
Prepaid expenses		216,313	-
Total current assets		**5,216,040**	**2,147,802**
Total Assets		**14,250,855**	**2,494,176**
Equity and liabilities			
Equity			
Retained Earnings		6,930,710	2,295,840
Owner’s capital		6,787,859	-
Total equity		**13,718,569**	**2,295,840**
Current Liabilities			
Trade and Other payables	9	411,486	108,465
Tax Liabilities	10	-	89,871
Total current liabilities		**411,486**	**198,336**
Non-current Liabilities			
Long-Term Debt		120,800	-
Total non-current liabilities		120,800	-
Total equity and liabilities		**14,250,855**	**2,494,176**

On behalf of the Management:

Director

September 29, 2023
Tbilisi, Georgia

The notes on pages 9-23 form an integral part of these financial statements. The Independent Auditors’ Report is on pages 1-4.

SmartSoft LLC
Statement of comprehensive income
For the year ended, 31 December 2022

Statement of comprehensive income	**Note**	**31.12.2022**	**31.12.2021**
Income from Sales	10	15,811,617	16,371,237
Sales Costs		-	(2,731)
Gross profit		**15,811,617**	**16,368,506**
Other income		-	28,457
Selling and distribution expenses	12	(1,238,425)	(543,206)
Salaries expense	13	(5,649,289)	(3,827,657)
General and administrative expenses	11	(2,526,506)	(1,440,467)
Operating profit		**6,397,397**	**10,585,634**
Foreign exchange gain/(loss), net		(568,591)	(291,219)
Profit before Tax		5,828,806	10,294,415
Income Tax		(3,782)	(1,439,928)
Total comprehensive income		**5,825,024**	**8,854,487**

On behalf of the Management:

Director

September 29, 2023
Tbilisi, Georgia

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SmartSoft LLC
Statement of changes in Equity
For the year ended 31 December 2022

	Owner's equity	Retained earnings	Total
On December 31, 2019	**-**	**834,797**	**834,797**
Period result	-	3,391,677	**3,391,677**
Dividends	-	(2,068,421)	**(2,068,421)**
On December 31, 2020	**-**	**2,158,053**	**2,158,053**
Period result	-	8,854,487	**8,854,487**
Dividends	-	(8,716,702)	**(8,716,702)**
On December 31, 2021	**-**	**2,295,838**	**2,295,838**
Period result	-	5,825,024	**4,580,563**
Increase in Owner’s capital	324,599	-	**324,599**
Dividends	-	(1,190,154)	**(1,190,154)**
Owner’s capital the result of the merger	6,463,260	-	**6,463,260**
On December 31, 2022	**6,787,859**	**6,930,708**	**13,718,567**

On behalf of the Management:

Director

September 29, 2023
Tbilisi, Georgia

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SmartSoft LLC
Statement of Cash Flows
For the year ended, 31 December 2022

Operating activities	**31.12.2022**	**31.12.2021**
Cash received from customers	15,553,392	17,591,546
Amounts paid to suppliers	2,267,876	(1,807,134)
Paid Salary	(4,516,061)	(2,971,544)
Treasury payment	(1,034,592)	(3,473,032)
Other payables	(45,932)	(22,695)
Net cash flow from operating activities	**12,224,683**	**9,317,141**
Investing activities		
Purchases of property and equipment	(8,876,991)	(263,877)
Proceeds from the sale of property and equipment	5,220	-
Net cash from investing activities	**(8,871,771)**	**(263,877)**
Financing activities		
Dividends paid	(1,130,646)	(8,280,867)
Impact of exchange rate	(1,143,960)	(1,181,786)
Net cash flows from financing activities	**(2,274,606)**	**(9,462,653)**
Net increase/(decrease) in Cash and Cash equivalents	**(1,078,306)**	**(409,389)**
Cash and Cash equivalents at the beginning of the year	**131,092**	**540,481**
Cash and Cash equivalents at the end of the year	**1,209,398**	**131,092**

On behalf of the Management:

Director

September 29, 2023
Tbilisi, Georgia

The notes on pages 9-23 form an integral part of these financial statements. The Independent Auditors' Report is on pages 1-4.

1. Introduction

Corporate information

SmartSoft LLC was founded in 2015.

SmartSoft LLC is established in accordance with the Georgian legislation and is registered by the LEPL National Agency of Public Registry, with identification number: 406144587. SmartSoft LLC is registered at the following address: Georgia, Tbilisi, Vake district, Elguja Amashukeli str, N17, Office Space N21

On 07/06/2022 Company merged US Capital LLC (405429754) . No other significant transactions have been identified for disclosure after the reporting date.

The main activity of SmartSoft LLC. is to create software for the online commerce industry. As part of its business, SmartSoft LLC creates online gambling-type programs and delivers them to various business operators who use these programs to generate revenue in their business.

Owners	Rate
Lasha Bandzeladze, 60001025383	33%
Aleksandre Gvinephadze, 60001013400	33%
Danieli Ratiani, 60001013273	33%
Guram Gotsadze 01031002014	1%

Company Directory Guram Gotsadze, (Georgia, 01031002014)

Presentation currency

The financial statements are presented in Georgian Lari ("GEL"), GEL is the Company's functional currency . Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies on the statement of financial position date are recognized in the income statement.

The exchange rates used for converting foreign currency monetary balances are as follows:

	31-Dec-2022	31-Dec-2021
1 USD/GEL	2.702	3.097
1 EUR/GEL	2.884	3.504

2. Basis of preparation and significant accounting policies

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS for SME") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these financial statements. These financial statements are presented in Georgian Lari (GEL) and all values are rounded to the nearest thousands, except when otherwise indicated.

These financial statements have been prepared under the going concern assumption that involves the realization of assets and settlement of liabilities in the normal course of business. The Company has sufficient resources to continue its operating activities in the foreseeable future.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Comprehensive Income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

	Useful life (year)
Office equipment	5 years
Buildings and improvements	25 years
Computers equipment	5 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

Credit-impaired financial asset

Under IFRS 9 a financial asset is credit-impaired when one or more events that have occurred and have a significant impact on the expected future cash flows of the financial asset. It includes observable data that has come to the attention of the holder of a financial asset about the following events:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or past-due event;
- the lenders for economic or contractual reasons relating to the borrower's financial difficulty granted the borrower a concession that would not otherwise be considered;
- it is becoming probable that the borrower will enter bankruptcy or another financial reorganization;
- the disappearance of an active market for the financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects incurred credit losses

Basis for estimating expected credit losses

Any measurement of expected credit losses under IFRS 9 shall reflect an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the entity should consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses.

The Standard defines expected credit losses as the weighted average of credit losses with the respective risks of a default occurring as the weightings. Whilst an entity does not need to consider every possible scenario, it must consider the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

In particular, for lifetime expected losses, an entity is required to estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

An entity is required to incorporate reasonable and supportable information (i.e., that which is reasonably available at the reporting date). Information is reasonably available if obtaining it does not involve undue cost or effort (with information available for financial reporting purposes qualifying as such).

For applying the model to a loan commitment an entity will consider the risk of a default occurring under the loan to be advanced, whilst application of the model for financial guarantee contracts an entity considers the risk of a default occurring of the specified debtor.

An entity may use practical expedients when estimating expected credit losses if they are consistent with the principles in the Standard (for example, expected credit losses on trade receivables may be calculated using a provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding).

Expected credit losses of undrawn loan commitments should be discounted by using the effective interest rate (or an approximation thereof) that will be applied when recognizing the financial asset resulting from the commitment. If the effective interest rate of a loan commitment cannot be determined, the discount rate should reflect the current market assessment of time value of money and the risks that are specific to the cash flows but only if, and to the extent that, such risks are not taken into account by adjusting the discount rate. This approach shall also be used to discount expected credit losses of financial guarantee contracts.

3. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Impairment of property, plant and equipment

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets.

The determination of impairment of property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing and amount of impairment. Impairment is based on a large number of factors, such as changes in the restructuring process, expectations of growth in the industry, changes in the future availability of financing, technological obsolescence, discontinuance of service, current replacement costs and other changes in circumstances that indicate impairment exists. The determination of the recoverable amount of a cash-generating unit involves the use of estimates by management. Methods used to determine the value in use include discounted cash flow-based methods, which require the Company to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. These estimates, including the methodologies used, may have a material impact on the fair value and ultimately the amount of any property, plant and equipment impairment.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Impairment of non-financial assets

The carrying amount of the non-financial assets of SmartSoft LLC. is reviewed at the reporting date for each financial statement to determine whether there is any indication of impairment. In the presence of similar signs, the recoverable amount of the asset is estimated. To determine impairment, assets that cannot be individually assessed are grouped into smaller asset groups. These groups ("cash-generating unit", "cash"), under conditions of constant use, provide cash inflows that are completely independent of the cash flows generated by other assets or groups of assets.

The recoverable amount of an asset or " cash-generating unit " is the higher of its cost and market value less costs to sell. In estimating value in use, the discounted present value of future cash flows using the discount rate at the time of payment of taxes reflects the current market value for money over time and the risks inherent in those assets.
An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company’s financial assets include Bank balances and cash and trade and other receivables.

Subsequent measurement

Trade and other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. The Company's loans and receivables comprise trade and other receivables and due from related parties in the statement of financial position.

Bank Balances and cash

Cash includes cash on hand, cash with banks and cash equivalents. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. For the purpose of the separate statement of cash flows, Bank balances and cash consist of cash and short-term deposits as defined above.

De recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial restructuring. Besides, such evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows on a financial instrument such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Company at first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of comprehensive income. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to a statement of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as appropriate.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

Trade and other payables

Liabilities for trade and other amounts payable are recognized and subsequently measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

De recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Exchange rates

The items in the financial statements are valued in the currency of the economic environment in which SmartSoft LLC operates (the "functional currency"). The financial statements are presented in Georgian Lari, which is the functional and presentation currency of SmartSoft LLC.

Cash assets and liabilities are converted into functional currency of SmartSoft LLC, according to the official exchange rate established by the National Bank of Georgia.

Gains and losses arising on cross-exchange differences received at the official exchange rate at the end of the year as a result of transactions and the conversion of cash assets and liabilities into SmartSoft LLC functional currency are recognized in profit or loss. The revaluation at the end of the year does not apply to non-cash items.

Revenue recognition

Revenue are estimated at the fair value of the consideration received or receivable. Revenue will be reduced by the estimated amount of discounts and similar deductions.
SmartSoft LLC. uses a five-stage model for all customer agreements:
• Identify contracts with customers;
• Establish contractual obligations;
• Determining the transaction price;
• Attribution of the transaction price to the contractual obligation;
• Income recognition when (or if) a person fulfills a contractual obligation.
Revenue from the provision of services is recognized when all of the following conditions are met:
• Yields can be reliably estimated;
• It is expected that the economic benefits of providing the service will flow to SmartSoft LLC;

To determine the returns, SmartSoft LLC uses the cost-margin method, which involves determining the cost of work at the end of each month, plus a pre-defined margin. Expenditures incurred do not include expenses related to future activities, such as, for example, prepaid amounts (advances);

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

From 2017 year in Georgian Taxation there are changes regarding profit tax payables, as it won't be payable on reinvested amounts, but only when dividends are paid. Additionally, dividends will be payable from Profit and Loss statement prepared under IFRS for SME. So there isn't any permanent differences and deferred tax any more and it was written down prior period deferred tax resulted from permanent differences.

Taxes other than income taxes

Georgia has various operating taxes, which are assessed on the Company's activities. These taxes are included as a component of general and administrative expenses and in cost of revenue in the statement of comprehensive income.

Value added tax

The tax authorities permit the settlement of sales and purchases value added tax (VAT) on a net basis. Value added tax recoverable represents VAT on purchases net of VAT on sales.

Value added tax payable

VAT is payable to the tax authorities upon collection of accounts receivable from customers. VAT on purchases which have been settled at the reporting date is deducted from the amount payable. In addition, VAT related to sales which have not been collected at the reporting date is also included in the balance of VAT payable. Where provision has been made for impairment of receivables, an impairment loss is recorded for the gross amount of the debtor, including VAT. The related deferred VAT liability is maintained until the debtor is written off for tax purposes.

Value added tax recoverable

VAT recoverable is recorded in accounts related to purchased goods, work and services, which were purchased with VAT and if the purchases were made in order to generate revenue.

At each reporting date, the VAT recoverable amount is subject to offsetting against the VAT payable.

Current versus non-current classification

The Company presents assets and liabilities in a separate statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

1. it is expected to be settled in normal operating cycle;
2. it is held primarily for the purpose of trading;
3. it is due to be settled within twelve months after the reporting period or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances.

4. Significant accounting judgments, estimates and assumptions

STANDARDS AND AMENDMENTS MANDATORILY EFFECTIVE FROM 1 JANUARY 2022

Annual Improvements to IFRS: 2018-2020 Cycle. In May 2020, the IASB issued minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

Conceptual Framework for Financial Reporting (Amendments to IFRS 3). In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments introduce an exception to the general recognition requirement for liabilities and contingent liabilities acquired in a business combination that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 12 Service Concession arrangements.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract). In May 2020, the IASB issued amendments to IAS 37, added paragraph 68A to specify which costs an entity includes in determining the cost of fulfilling a contract for the purposes of assess whether the contract is onerous. These amendments are expected to result in more contracts being accounted for as onerous contracts because they increase the scope of costs that are included in the onerous contract assessment.

IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use). In May 2020, the IASB issued amendments to IAS 16, which prohibit a company from deducting amounts received from selling items produced while the company is preparing the asset for its intended use from the cost of property, plant and equipment. Instead, a company will recognise such sales proceeds and any related costs in profit or loss rather than offset against the cost of the property.

B) NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

STANDARDS AND AMENDMENTS MANDATORILY EFFECTIVE FROM 1 JANUARY 2023

IFRS 17 Insurance Contracts. IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous (non-IFRS) accounting approaches to continue to be followed. IFRS 17 will result in significant changes for many insurers, requiring adjustments to existing systems and processes.

The new standard takes the view that insurance contracts combine features of a financial instrument and a service contract, and that many generate cash flows that vary substantially over time. It therefore takes the approach of:

- Combining current measurement of future cash flows with recognising profit over the period that services are provided under the contract

- Presenting insurance service results (including insurance revenue) separately from insurance finance income or expenses, and

- Requiring an entity to make an accounting policy choice for each portfolio whether to recognise all insurance finance income or expenses for the reporting period in profit or loss, or to recognise some in other comprehensive income.

Subsequent to the issue of IFRS 17, amendments to the standard and deferral of effective dates have been made.

Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2). In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from ‘significant accounting policies’ to ‘material accounting policy information’. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. As IFRS Practice

Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

STANDARDS AND AMENDMENTS MANDATORILY EFFECTIVE FROM 1 JANUARY 2024

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16). The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022.

The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current, Non-current Liabilities with Covenants). The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

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The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

5. Property, plant and equipment

Historical cost	Office supplies	Computer and other equipment	Buildings and imrprovements	Total
31 December 2021	**172,135**	**263,732**	**-**	**435,867**
Additions	919,717	255,557	7,627,349	**8,876,991**
Disposals	-	(5,220)	-	**(5,220)**
31 December 2022	**1,151,852**	**514,069**	**7,627,349**	**9,307,637**
Accumulated Depreciation	-	-		**-**
31 December 2021	**(37,525)**	**(105,077)**	**-**	**(142,602)**
Depreciation expense	(99,110)	(97,374)	(142,168)	(338,652)
Disposal	-	2,025	-	(2,025)
31 December 2022	**(136,635)**	**(200,426)**	**(142,168)**	**(479,230)**
Net book value				
31 December 2021	**209,661**	**368,809**	**-**	**293,265**
31 December 2022	**1,015,216**	**313,643**	**7,485,180**	**8,828,408**

6. Intangible assets

An intangible asset is a lifetime certification that does not incur amortization. The value of the intangible asset as of December 31, 2022 and 2021 is 206 406 GEL, 53 109 GEL respectively.

7. Trade and other receivables

	31 December 2022	31 December 2021
Financial receivables		
Trade receivables	3,477,090	1,865,650
	3,477,090	**1,865,650**
Non - financial receivables		
Advances paid	313,329	151,060
	313,329	**151,060**
Total	**3,790,329**	**2,016,710**

8. Cash and cash equivalents

	31 December 2022	31 December 2021
Cash on Bank - national currency	352,860	21,169
Cash on Bank - foreign currency	856,538	109,922
Total	**1,209,398**	**131,092**

9. Trade and other payables

	31 December 2022	31 December 2021
Trade and other payables	405,795	89,386
Trade and other payables to non-residents	5,190	683
Advances Received	500	27,467
Total	**411,486**	**108,466**

10. Income from Sales

	31 December 2022	31 December 2021
Revenue from services to the local companies	3,528,438	4,577,662
Revenue from services to the non-resident companies	12,283,179	11,793,574
Total	**15,811,617**	**16,371,237**

11. General and Administration expenses

	31 December 2022	31 December 2021
Rent	403,502	229,280
Depreciation	338,652	61,566
Communication	21,659	22,558
Other Tax Expenses	153,902	65,120
Consulting service expenses	285,487	316,975
Bank expenses	47,223	23,050
Maintenance Expenses	-	-
Representative expenses	716,263	168,172
Computer expenses	-	4,969
Stationary expenses	47,263	36,850
License expenses	155,806	214,991
utility expense	29,778	35,559
Hosting expenses	209,442	227,168
Other	98,588	34,211
Total	**2,526,506**	**1,440,467**

12. Selling and distribution expenses

	31 December 2022	31 December 2021
Cost of promo and advertising materials	1,159,671	525,950
Advertising cost of websites	78,754	17,256
Total	**1,238,425**	**543,206**

13. Salary expense

	31 December 2022	31 December 2021
Salary	3,889,671	2,215,992
Pension	118,588	77,719
Bonus	1,024,691	1,280,552
Unused leave	124,365	33,664
Food	213,232	128,188
Communication	12,960	-
Insurance	73,459	42,908
Other salary expenses	140,679	48,634
Water and cups	14,089	-
Team building	37,556	-
Total	**5,649,289**	**3,827,657**

14. Contingencies and commitments

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 internal professional advice, management is of the opinion that no material losses will be incurred in respect of claims, and accordingly no provision has been made in these financial statements.

Tax contingencies

Georgian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Company. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances tax year may remain open longer.

15. Related party transactions

Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates.

The following table provides the total amount of transactions, which have been entered into with related parties during 2022 and 2021 and the related balances as at December 31, 2022 and 2021, respectively:

Sales to related parties

Sales to related parties	31 December 2022	31 December 2021
LLC Fastpay (405273289)	-	30,000

Compensation of key management personnel

Compensation of key management personnel consists of remuneration paid to the Director of the Company. Compensation comprises salaries and other benefits (insurance):

Compensation of key management personnel	31 December 2022	31 December 2021
Salaries	596,922	264,581
Other benefits	417,889	2,511

Dividends distribution	31 December 2022	31 December 2021
Dividends distribution	1,190,154	8,716,702

16. Going Concern

Company has positive retained earnings and profit for the year. Based on all above-mentioned information there is no risk of going concern for the following 12 months' period of reporting period.

17. Events after the statement of financial position date

This report was ready to be issued on September 29th, 2023.

INDEPENDENT AUDITORS' REPORT

To the shareholders of SmartSoft LLC
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SmartSoft LLC (the Company) which comprise the statement of financial position as at 31, December 2022, and the statement of 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 significant accounting policies.

In our opinion, except for the effects of the matter described in the basis for the qualified opinion,the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs for SME).

Basis of qualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our obligations under these standards are described in more detail in the Financial Statements section of our report entitled – "Auditor's Obligations for the Audit of Financial Statements". We are independent of the Company in accordance with the Code of Ethics for Professional Accountants (IESBA Code) of the International Board of Ethical Standards and the ethics requirements related to our audit in Georgia. In our opinion, the audit evidence we have obtained is appropriate and provides a sufficient basis for our opinion.

important circumstances

We would like to draw your attention to explanatory note #6, the company has not created an impairment reserve, we could not perform an alternative work and could not determine the possible material effect on the results of the financial statements, therefore our opinion was not modified.

Management's responsibility 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

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unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

No other matters were communicated with management.

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We also have provided management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence.

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

The engagement partner on the audit resulting in this independent auditor’s opinion report is Irma Ioseliani (SARAS-A-972235).

September 29, 2023
Tbilisi, Georgia

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SmartSoft LLC

Financial Statements
and
Independent Auditor's Report

As at 31 December 2022

SmartSoft LLC

Table of Content

PKF Kaizen JSC

INDEPENDENT AUDITORS' REPORT

To the shareholders of SmartSoft LLC
Report on the Audit of the Financial Statements

Opinion

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In our opinion, except for the effects of the matter described in the basis for the qualified opinion,the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs for SME).

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

No other matters were communicated with management.

We also have provided management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence.

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

The engagement partner on the audit resulting in this independent auditor's opinion report is Irma Ioseliani (SARAS-A-972235).

September 29, 2023
Tbilisi, Georgia

Financial statements

SmartSoft LLC
Statement of financial position
as at, 31 December 2022

Assets	**Note**	**31.12.2022**	**31.12.2021**
Non-Current Assets			
Property and equipment	5	8,828,409	293,266
Intangible Assets	6	206,406	53,109
Total Non-Current Assets		**9,034,815**	**346,374**
Current Assets			
Trade and other Receivables	7	3,790,329	2,016,710
Cash and Cash Equivalents	8	1,209,398	131,092
Prepaid expenses		216,313	-
Total current assets		**5,216,040**	**2,147,802**
Total Assets		**14,250,855**	**2,494,176**
Equity and liabilities			
Equity			
Retained Earnings		6,930,710	2,295,840
Owner's capital		6,787,859	-
Total equity		**13,718,569**	**2,295,840**
Current Liabilities			
Trade and Other payables	9	411,486	108,465
Tax Liabilities	10	-	89,871
Total current liabilities		**411,486**	**198,336**
Non-current Liabilities			
Long-Term Debt		120,800	-
Total non-current liabilities		120,800	-
Total equity and liabilities		**14,250,855**	**2,494,176**

On behalf of the Management:

Director

September 29, 2023
Tbilisi, Georgia

The notes on pages 9-34 form an integral part of these financial statements. The Independent Auditors' Report is on pages 1-4.

SmartSoft LLC
Statement of comprehensive income
For the year ended, 31 December 2022

Statement of comprehensive income	**Note**	**31.12.2022**	**31.12.2021**
Income from Sales	10	15,811,617	16,371,237
Sales Costs		-	(2,731)
Gross profit		**15,811,617**	**16,368,506**
Other income		-	28,457
Selling and distribution expenses	12	(1,238,425)	(543,206)
Salaries expense	13	(5,649,289)	(3,827,657)
General and administrative expenses	11	(2,526,506)	(1,440,467)
Operating profit		**6,397,397**	**10,585,634**
Foreign exchange gain/(loss), net		(568,591)	(291,219)
Profit before Tax		5,828,806	10,294,415
Income Tax		(3,782)	(1,439,928)
Total comprehensive income		**5,825,024**	**8,854,487**

On behalf of the Management:

Director

September 29, 2023
Tbilisi, Georgia

The notes on pages 9-34 form an integral part of these financial statements. The Independent Auditors' Report is on pages 1-4.

SmartSoft LLC
Statement of changes in Equity
For the year ended 31 December 2022

	Owner's equity	Retained earnings	Total
On December 31, 2019	-	**834,797**	**834,797**
Period result	-	3,391,677	**3,391,677**
Dividends	-	(2,068,421)	**(2,068,421)**
On December 31, 2020	-	**2,158,053**	**2,158,053**
Period result	-	8,854,487	**8,854,487**
Dividends	-	(8,716,702)	**(8,716,702)**
On December 31, 2021	-	**2,295,838**	**2,295,838**
Period result	-	5,825,024	**4,580,563**
Increase in Owner's capital	324,599	-	**324,599**
Dividends	-	(1,190,154)	**(1,190,154)**
Owner's capital the result of the merger	6,463,260	-	**6,463,260**
On December 31, 2022	**6,787,859**	**6,930,708**	**13,718,567**

On behalf of the Management:

Director

September 29, 2023
Tbilisi, Georgia

The notes on pages 9-34 form an integral part of these financial statements. The Independent Auditors' Report is on pages 1-4.

SmartSoft LLC
Statement of Cash Flows
For the year ended, 31 December 2022

Operating activities	**31.12.2022**	**31.12.2021**
Cash received from customers	15,553,392	17,591,546
Amounts paid to suppliers	2,267,876	(1,807,134)
Paid Salary	(4,516,061)	(2,971,544)
Treasury payment	(1,034,592)	(3,473,032)
Other payables	(45,932)	(22,695)
Net cash flow from operating activities	**12,224,683**	**9,317,141**
Investing activities		
Purchases of property and equipment	(8,876,991)	(263,877)
Proceeds from the sale of property and equipment	5,220	-
Net cash from investing activities	**(8,871,771)**	**(263,877)**
Financing activities		
Dividends paid	(1,130,646)	(8,280,867)
Impact of exchange rate	(1,143,960)	(1,181,786)
Net cash flows from financing activities	**(2,274,606)**	**(9,462,653)**
Net increase/(decrease) in Cash and Cash equivalents	**(1,078,306)**	**(409,389)**
Cash and Cash equivalents at the beginning of the year	**131,092**	**540,481**
Cash and Cash equivalents at the end of the year	**1,209,398**	**131,092**

On behalf of the Management:

Director

September 29, 2023
Tbilisi, Georgia

The notes on pages 9-34 form an integral part of these financial statements. The Independent Auditors' Report is on pages 1-4.

Notes to the financial statements

SmartSoft LLC

1. Introduction

Corporate information

SmartSoft LLC was founded in 2015.

SmartSoft LLC is established in accordance with the Georgian legislation and is registered by the LEPL National Agency of Public Registry, with identification number: 406144587. SmartSoft LLC is registered at the following address: Georgia, Tbilisi, Vake district, Elguja Amashukeli str, N17, Office Space N21

On 07/06/2022 Company merged US Capital LLC (405429754) . No other significant transactions have been identified for disclosure after the reporting date.

The main activity of SmartSoft LLC. is to create software for the online commerce industry. As part of its business, SmartSoft LLC creates online gambling-type programs and delivers them to various business operators who use these programs to generate revenue in their business.

Owners	Rate
Lasha Bandzeladze, 60001025383	33%
Aleksandre Gvinephadze, 60001013400	33%
Danieli Ratiani, 60001013273	33%
Guram Gotsadze 01031002014	1%

Company Directory Guram Gotsadze, (Georgia, 01031002014)

Presentation currency

The financial statements are presented in Georgian Lari ("GEL"), GEL is the Company's functional currency . Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies on the statement of financial position date are recognized in the income statement.

The exchange rates used for converting foreign currency monetary balances are as follows:

	31-Dec-2022	31-Dec-2021
1 USD/GEL	2.702	3.097
1 EUR/GEL	2.884	3.504

2. Basis of preparation and significant accounting policies

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS for SME") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these financial statements. These financial statements are presented in Georgian Lari (GEL) and all values are rounded to the nearest thousands, except when otherwise indicated.

These financial statements have been prepared under the going concern assumption that involves the realization of assets and settlement of liabilities in the normal course of business. The Company has sufficient resources to continue its operating activities in the foreseeable future.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Comprehensive Income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

	Useful life (year)
Office equipment	5 years
Buildings and improvements	25 years
Computers equipment	5 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

Credit-impaired financial asset

Under IFRS 9 a financial asset is credit-impaired when one or more events that have occurred and have a significant impact on the expected future cash flows of the financial asset. It includes observable data that has come to the attention of the holder of a financial asset about the following events:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or past-due event;
- the lenders for economic or contractual reasons relating to the borrower's financial difficulty granted the borrower a concession that would not otherwise be considered;
- it is becoming probable that the borrower will enter bankruptcy or another financial reorganization;
- the disappearance of an active market for the financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects incurred credit losses

Basis for estimating expected credit losses

Any measurement of expected credit losses under IFRS 9 shall reflect an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the entity should consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses.

The Standard defines expected credit losses as the weighted average of credit losses with the respective risks of a default occurring as the weightings. Whilst an entity does not need to consider every possible scenario, it must consider the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

In particular, for lifetime expected losses, an entity is required to estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

An entity is required to incorporate reasonable and supportable information (i.e., that which is reasonably available at the reporting date). Information is reasonably available if obtaining it does not involve undue cost or effort (with information available for financial reporting purposes qualifying as such).

For applying the model to a loan commitment an entity will consider the risk of a default occurring under the loan to be advanced, whilst application of the model for financial guarantee contracts an entity considers the risk of a default occurring of the specified debtor.

An entity may use practical expedients when estimating expected credit losses if they are consistent with the principles in the Standard (for example, expected credit losses on trade receivables may be calculated using a provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding).

Expected credit losses of undrawn loan commitments should be discounted by using the effective interest rate (or an approximation thereof) that will be applied when recognizing the financial asset resulting from the commitment. If the effective interest rate of a loan commitment cannot be determined, the discount rate should reflect the current market assessment of time value of money and the risks that are specific to the cash flows but only if, and to the extent that, such risks are not taken into account by adjusting the discount rate. This approach shall also be used to discount expected credit losses of financial guarantee contracts.

3. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Impairment of property, plant and equipment

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets.

The determination of impairment of property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing and amount of impairment. Impairment is based on a large number of factors, such as changes in the restructuring process, expectations of growth in the industry, changes in the future availability of financing, technological obsolescence, discontinuance of service, current replacement costs and other changes in circumstances that indicate impairment exists. The determination of the recoverable amount of a cash-generating unit involves the use of estimates by management. Methods used to determine the value in use include discounted cash flow-based methods, which require the Company to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. These estimates, including the methodologies used, may have a material impact on the fair value and ultimately the amount of any property, plant and equipment impairment.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Impairment of non-financial assets

The carrying amount of the non-financial assets of SmartSoft LLC. is reviewed at the reporting date for each financial statement to determine whether there is any indication of impairment. In the presence of similar signs, the recoverable amount of the asset is estimated. To determine impairment, assets that cannot be individually assessed are grouped into smaller asset groups. These groups ("cash-generating unit", "cash"), under conditions of constant use, provide cash inflows that are completely independent of the cash flows generated by other assets or groups of assets.

The recoverable amount of an asset or " cash-generating unit " is the higher of its cost and market value less costs to sell. In estimating value in use, the discounted present value of future cash flows using the discount rate at the time of payment of taxes reflects the current market value for money over time and the risks inherent in those assets.
An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include Bank balances and cash and trade and other receivables.

Subsequent measurement

Trade and other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. The Company's loans and receivables comprise trade and other receivables and due from related parties in the statement of financial position.

Bank Balances and cash

Cash includes cash on hand, cash with banks and cash equivalents. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. For the purpose of the separate statement of cash flows, Bank balances and cash consist of cash and short-term deposits as defined above.

De recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial restructuring. Besides, such evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows on a financial instrument such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Company at first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of comprehensive income. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to a statement of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as appropriate.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

Trade and other payables

Liabilities for trade and other amounts payable are recognized and subsequently measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

De recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Exchange rates

The items in the financial statements are valued in the currency of the economic environment in which SmartSoft LLC operates (the "functional currency"). The financial statements are presented in Georgian Lari, which is the functional and presentation currency of SmartSoft LLC.

Cash assets and liabilities are converted into functional currency of SmartSoft LLC, according to the official exchange rate established by the National Bank of Georgia.

Gains and losses arising on cross-exchange differences received at the official exchange rate at the end of the year as a result of transactions and the conversion of cash assets and liabilities into SmartSoft LLC functional currency are recognized in profit or loss. The revaluation at the end of the year does not apply to non-cash items.

Revenue recognition

Revenue are estimated at the fair value of the consideration received or receivable. Revenue will be reduced by the estimated amount of discounts and similar deductions.
SmartSoft LLC. uses a five-stage model for all customer agreements:

- Identify contracts with customers;
- Establish contractual obligations;
- Determining the transaction price;
- Attribution of the transaction price to the contractual obligation;
- Income recognition when (or if) a person fulfills a contractual obligation.

Revenue from the provision of services is recognized when all of the following conditions are met:

- Yields can be reliably estimated;
- It is expected that the economic benefits of providing the service will flow to SmartSoft LLC;

To determine the returns, SmartSoft LLC uses the cost-margin method, which involves determining the cost of work at the end of each month, plus a pre-defined margin. Expenditures incurred do not include expenses related to future activities, such as, for example, prepaid amounts (advances);

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

From 2017 year in Georgian Taxation there are changes regarding profit tax payables, as it won't be payable on reinvested amounts, but only when dividends are paid. Additionally, dividends will be payable from Profit and Loss statement prepared under IFRS for SME. So there isn't any permanent differences and deferred tax any more and it was written down prior period deferred tax resulted from permanent differences.

Taxes other than income taxes

Georgia has various operating taxes, which are assessed on the Company's activities. These taxes are included as a component of general and administrative expenses and in cost of revenue in the statement of comprehensive income.

Value added tax

The tax authorities permit the settlement of sales and purchases value added tax (VAT) on a net basis. Value added tax recoverable represents VAT on purchases net of VAT on sales.

Value added tax payable

VAT is payable to the tax authorities upon collection of accounts receivable from customers. VAT on purchases which have been settled at the reporting date is deducted from the amount payable. In addition, VAT related to sales which have not been collected at the reporting date is also included in the balance of VAT payable. Where provision has been made for impairment of receivables, an impairment loss is recorded for the gross amount of the debtor, including VAT. The related deferred VAT liability is maintained until the debtor is written off for tax purposes.

Value added tax recoverable

VAT recoverable is recorded in accounts related to purchased goods, work and services, which were purchased with VAT and if the purchases were made in order to generate revenue.

At each reporting date, the VAT recoverable amount is subject to offsetting against the VAT payable.

Current versus non-current classification

The Company presents assets and liabilities in a separate statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

1. it is expected to be settled in normal operating cycle;
2. it is held primarily for the purpose of trading;
3. it is due to be settled within twelve months after the reporting period or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances.

4. Significant accounting judgments, estimates and assumptions

STANDARDS AND AMENDMENTS MANDATORILY EFFECTIVE FROM 1 JANUARY 2022

Annual Improvements to IFRS: 2018-2020 Cycle. In May 2020, the IASB issued minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

Conceptual Framework for Financial Reporting (Amendments to IFRS 3). In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments introduce an exception to the general recognition requirement for liabilities and contingent liabilities acquired in a business combination that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 12 Service Concession arrangements.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract). In May 2020, the IASB issued amendments to IAS 37, added paragraph 68A to specify which costs an entity includes in determining the cost of fulfilling a contract for the purposes of assess whether the contract is onerous. These amendments are expected to result in more contracts being accounted for as onerous contracts because they increase the scope of costs that are included in the onerous contract assessment.

IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use). In May 2020, the IASB issued amendments to IAS 16, which prohibit a company from deducting amounts received from selling items produced while the company is preparing the asset for its intended use from the cost of property, plant and equipment. Instead, a company will recognise such sales proceeds and any related costs in profit or loss rather than offset against the cost of the property.

B) NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

STANDARDS AND AMENDMENTS MANDATORILY EFFECTIVE FROM 1 JANUARY 2023

IFRS 17 Insurance Contracts. IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous (non-IFRS) accounting approaches to continue to be followed. IFRS 17 will result in significant changes for many insurers, requiring adjustments to existing systems and processes.

The new standard takes the view that insurance contracts combine features of a financial instrument and a service contract, and that many generate cash flows that vary substantially over time. It therefore takes the approach of:

- Combining current measurement of future cash flows with recognising profit over the period that services are provided under the contract

- Presenting insurance service results (including insurance revenue) separately from insurance finance income or expenses, and

- Requiring an entity to make an accounting policy choice for each portfolio whether to recognise all insurance finance income or expenses for the reporting period in profit or loss, or to recognise some in other comprehensive income.

Subsequent to the issue of IFRS 17, amendments to the standard and deferral of effective dates have been made.

Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2). In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

STANDARDS AND AMENDMENTS MANDATORILY EFFECTIVE FROM 1 JANUARY 2024

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16). The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022.

The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current, Non-current Liabilities with Covenants). The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

5. Property, plant and equipment

Historical cost	Office supplies	Computer and other equipment	Buildings and imrprovements	Total
31 December 2021	**172,135**	**263,732**	-	**435,867**
Additions	919,717	255,557	7,627,349	**8,876,991**
Disposals	-	(5,220)	-	**(5,220)**
31 December 2022	**1,151,852**	**514,069**	**7,627,349**	**9,307,637**
Accumulated Depreciation	-	-		-
31 December 2021	**(37,525)**	**(105,077)**	-	**(142,602)**
Depreciation expense	(99,110)	(97,374)	(142,168)	(338,652)
Disposal	-	2,025	-	(2,025)
31 December 2022	**(136,635)**	**(200,426)**	**(142,168)**	**(479,230)**
Net book value				
31 December 2021	**209,661**	**368,809**	-	**293,265**
31 December 2022	**1,015,216**	**313,643**	**7,485,180**	**8,828,408**

6. Intangible assets

An intangible asset is a lifetime certification that does not incur amortization. The value of the intangible asset as of December 31, 2022 and 2021 is 206 406 GEL, 53 109 GEL respectively.

7. Trade and other receivables

	31 December 2022	31 December 2021
Financial receivables		
Trade receivables	3,477,090	1,865,650
	3,477,090	**1,865,650**
Non - financial receivables		
Advances paid	313,329	151,060
	313,329	**151,060**
Total	**3,790,329**	**2,016,710**

8. Cash and cash equivalents

	31 December 2022	31 December 2021
Cash on Bank - national currency	352,860	21,169
Cash on Bank - foreign currency	856,538	109,922
Total	**1,209,398**	**131,092**

9. Trade and other payables

	31 December 2022	31 December 2021
Trade and other payables	405,795	89,386
Trade and other payables to non-residents	5,190	683
Advances Received	500	27,467
Total	**411,486**	**108,466**

10. Income from Sales

	31 December 2022	31 December 2021
Revenue from services to the local companies	3,528,438	4,577,662
Revenue from services to the non-resident companies	12,283,179	11,793,574
Total	**15,811,617**	**16,371,237**

11. General and Administration expenses

	31 December 2022	31 December 2021
Rent	403,502	229,280
Depreciation	338,652	61,566
Communication	21,659	22,558
Other Tax Expenses	153,902	65,120
Consulting service expenses	285,487	316,975
Bank expenses	47,223	23,050
Maintenance Expenses	-	-
Representative expenses	716,263	168,172
Computer expenses	-	4,969
Stationary expenses	47,263	36,850
License expenses	155,806	214,991
utility expense	29,778	35,559
Hosting expenses	209,442	227,168

Other	98,588	34,211
Total	**2,526,506**	**1,440,467**

12. Selling and distribution expenses

	31 December 2022	31 December 2021
Cost of promo and advertising materials	1,159,671	525,950
Advertising cost of websites	78,754	17,256
Total	**1,238,425**	**543,206**

13. Salary expense

	31 December 2022	31 December 2021
Salary	3,889,671	2,215,992
Pension	118,588	77,719
Bonus	1,024,691	1,280,552
Unused leave	124,365	33,664
Food	213,232	128,188
Communication	12,960	-
Insurance	73,459	42,908
Other salary expenses	140,679	48,634
Water and cups	14,089	-
Team building	37,556	-
Total	**5,649,289**	**3,827,657**

14. Contingencies and commitments

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 internal professional advice, management is of the opinion that no material losses will be incurred in respect of claims, and accordingly no provision has been made in these financial statements.

Tax contingencies

Georgian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Company. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances tax year may remain open longer.

15. Related party transactions

Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates.

The following table provides the total amount of transactions, which have been entered into with related parties during 2022 and 2021 and the related balances as at December 31, 2022 and 2021, respectively:

Sales to related parties

Sales to related parties	31 December 2022	31 December 2021
LLC Fastpay (405273289)	-	30,000

Compensation of key management personnel

Compensation of key management personnel consists of remuneration paid to the Director of the Company. Compensation comprises salaries and other benefits (insurance):

Compensation of key management personnel	31 December 2022	31 December 2021
Salaries	596,922	264,581
Other benefits	417,889	2,511

Dividends distribution	31 December 2022	31 December 2021
Dividends distribution	1,190,154	8,716,702

16. Going Concern

Company has positive retained earnings and profit for the year. Based on all above-mentioned information there is no risk of going concern for the following 12 months' period of reporting period.

17. Events after the statement of financial position date

This report was ready to be issued on September 29th, 2023.