WISE WOLVES FINANCE LTD

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

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For the year ended 31 December 2021

C O N T E N T S

WISE WOLVES FINANCE LTD

OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	Sergey Stopnevich (Executive) Yevheniya Savchenko Paschalides (Non-executive) Svitlana Morozyk (Non-executive) Anton Zykov (Executive) Nikos Kakoullis (Non-executive) (appointed on 28 February 2022)
Secretary	Wise Wolves Secretary Ltd
Independent Auditors	KPMG Limited
Legal Advisors	Wise Wolves Capital (EU) Ltd
Bankers	Eurobank Cyprus Ltd Rosbank PJSC Sova Capital Limited Atonline Limited Wise Wolves Payment Institution Limited Raiffeisen Bank International AG Freedom Finance
Registered Office	30B Gladstonos 3041 Limassol Cyprus
Registration number	HE361580

WISE WOLVES FINANCE LTD

MANAGEMENT REPORT

The Board of Directors of **Wise Wolves Finance Ltd** (the "Company") presents to the members its Annual Report together with the audited financial statements of the Company for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS OF THE COMPANY

On 25 September 2017, the Company acquired a license (license number: 337/17) from the Cyprus Securities and Exchange Commission (CySEC) in order to perform the activities of an investment firm. The Company is licensed to offer the investment services of reception and transmission of orders in relation to one or more financial instruments, execution of orders on behalf of clients and dealing on own account.

The Company is also licensed to offer the ancillary services of safekeeping and administration of financial instruments, including custodianship and related services, granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction. Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings. Foreign exchange services where these are connected to the provision of investment services. Investment research and financial analysis or other forms.

FINANCIAL RESULTS

The Company's financial results for the year ended 31 December 2021 are set out on page 9 to the financial statements. The net loss for the year attributable to the shareholders of the Company amounted to €694.502 (2020: €316.448 profit).

EXAMINATION OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE ACTIVITIES OF THE COMPANY

The current financial position as presented in the financial statements is not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

REVENUE

The Company's net trading income for the year ended 31 December 2021 was €742.222 (2020: €1.294.895).

DIVIDENDS

The Board of Directors does not recommend the payment of a dividend.

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 25 to the financial statements.

FUTURE DEVELOPMENTS

The Board of Directors does not expect major changes in the principal activities of the Company in the foreseeable future.

SHARE CAPITAL

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 25 October 2016 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

On 16 December 2016, the Company issued additional 1.000 shares of €1 each at a share premium of €198 each. On 21 April 2017, the Company issued additional 300 shares of €1 each at a share premium of €999 each. On 13 February 2018 and 27 August 2018, the Company issued additional 250 and 750 shares respectively of €1 each, at a share premium of €999 each.

On 26 March 2019, the Company issued additional 300 shares of €1 each, at a share premium of €999 each. On 21 June 2019, the Company issued additional 200 shares at €1 each, at a share premium of €999 each. On 2 October 2019, the Company issued additional 50 shares at €1 each, at a share premium of €9.999 each. On 25 November 2019, the Company issued additional 50 shares of €1 each, at a share premium of €6.999 each. On 23 December 2019, the Company issued additional 25 shares of €1 each, at a share premium of €9.999 each. The total share premium for the year amounted to €1.599.375.

On 30 June 2020, the Company issued additional 50 shares of €1 each, at a share premium of €9.999 each. On 21 August 2020, the Company issued additional 80 shares at €1 each, at a share premium of €9.999 each. On 29 December 2020, the Company issued additional 40 shares at €1 each, at a share premium of €9.999 each. The total share premium for the year amounted to €1.699.830.

On 15 April 2021, the Company issued additional 50 shares of €1 each, at a share premium of €9.999 each. On 14 September 2021, the Company issued additional 25 shares at €1 each, at a share premium of €9.999 each. On 30 December 2021, the Company issued additional 80 shares at €1 each, at a share premium of €9.999 each. The total share premium for the year amounted to €1.549.845.

BRANCHES

During the year ended 31 December 2021 the Company did not operate any branches.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2021 and at the date of this report are presented on page 1. On 28 February 2022, Mr. Nikos Kakoullis was appointed as a member of the Board of Directors.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

EVENTS AFTER THE REPORTING PERIOD

Any significant events that occurred after the end of the reporting period are described in note 27 to the financial statements.

RELATED PARTY TRANSACTIONS

Disclosed in note 24 to the financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Company, KPMG Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Wise Wolves Secretary Ltd
Secretary

Limassol, 15 April 2022

KPMG Limited
Chartered Accountants
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P.O.Box 50161, 3601 Limassol, Cyprus
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

WISE WOLVES FINANCE LTD

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Wise Wolves Finance Ltd** (the "Company"), which are presented on pages 8 to 41 and comprise the statement of financial position as at 31 December 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap.113").

Basis for opinion

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

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Other information

The Board of Directors is responsible for the other information. The other information comprises the management report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap.113.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With regards to the management report, our report in this regard is presented in the *"Report on other legal requirements"* section.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors 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, the Board of Directors 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 there is an intention to either liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 the Board of Directors.

Auditors' responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Board of Directors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Report on other legal requirements

Pursuant to the additional requirements of the Auditors Law 2017, L.53(I)/2017, as amended from time to time ("Law L.53(I)/2017"), and based on the work undertaken in the course of our audit, we report the following:

- In our opinion, the management report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In the light of the knowledge and understanding of the business and the Company's environment obtained in the course of the audit, we have not identified material misstatements in the management report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law L.53(I)/2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

George S. Prodromou, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
11, June 16th 1943 Street
3022 Limassol
Cyprus

15 April 2022

WISE WOLVES FINANCE LTD

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 €	2020 €
Assets			
Non-current assets			
Property, plant and equipment	12	146	-
Right-of-use assets	13	30.392	17.127
Intangible assets	14	8.893	10.404
Total non-current assets		39.431	27.531
Current assets			
Receivables under reverse REPO agreements	16	-	744.325
Trade and other receivables	17	71.940	81.373
Loans receivable	15	5.007	-
Financial assets at FVTPL	18	1.303.275	1.002.252
Pledged financial assets at FVTPL	18	8.777.178	5.873.502
Cash and cash equivalents	19	2.106.936	2.129.950
Total current assets		12.264.336	9.831.402
Total assets		12.303.767	9.858.933
Equity			
Share capital	20	4.250	4.095
Share premium		6.345.750	4.795.905
(Accumulated losses) / Reserves		(437.951)	256.551
Total equity		5.912.049	5.056.551
Liabilities			
Current liabilities			
Obligations under REPO agreements	21	6.310.078	4.743.073
Obligations under leases	22	47.252	17.385
Trade and other payables	23	34.388	41.924
Total current liabilities		6.391.718	4.802.382
Total equity and liabilities		12.303.767	9.858.933

On 15 April 2022 the Board of Directors of Wise Wolves Finance Ltd approved and authorised these financial statements for issue.

....
Sergey Stopnevich
Director

....
Anton Zykov
Director

The notes on pages 12 to 41 are an integral part of these financial statements.

WISE WOLVES FINANCE LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 €	2020 €
Net trading income	7	742.222	1.294.895
Direct operating expenses	8	(306.428)	(282.833)
Net trading income		435.794	1.012.062
Administrative and promotion expenses	9	(954.152)	(669.154)
Expected credit losses		-	(12.764)
Operating (loss)/profit		(518.358)	330.144
Finance income	10	7	236
Finance costs	10	(176.151)	(13.932)
Net finance expenses		(176.144)	(13.696)
(Loss)/profit before tax		(694.502)	316.448
Tax	11	-	-
(Loss)/profit for the year		(694.502)	316.448
Other comprehensive income		-	-
Total comprehensive (expense)/income for the year		(694.502)	316.448

The notes on pages 12 to 41 are an integral part of these financial statements.

WISE WOLVES FINANCE LTD

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Note	Share capital €	Share premium €	Retained earnings / (Accumulated losses) €	Total €
Balance at 1 January 2020		3.925	3.096.075	(59.897)	3.040.103
Comprehensive income					
Profit for the year		-	-	316.448	316.448
Transactions with owners					
Issue of share capital	20	170	1.699.830	-	1.700.000
Balance at 31 December 2020		4.095	4.795.905	256.551	5.056.551
Balance at 1 January 2021		4.095	4.795.905	256.551	5.056.551
Comprehensive income					
Loss for the year		-	-	(694.502)	(694.502)
Transactions with owners					
Issue of share capital	20	155	1.549.845	-	1.550.000
Balance at 31 December 2021		4.250	6.345.750	(437.951)	5.912.049

Share premium is not available for distribution.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31st of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits refer. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (31.12.2019 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

WISE WOLVES FINANCE LTD

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 €	2020 €
Cash flows from operating activities			
(Loss)/profit for the year		(694.502)	316.448
Adjustments for:			
Depreciation	12,13	56.934	17.127
Foreign exchange loss/(gain)		157.176	(78)
Amortisation of computer software	14	1.511	1.511
Net loss/(gain) on financial assets at fair value through profit or loss		104.393	(601.746)
Fair value losses on other investments		-	-
Expected credit losses		-	12.764
Dividend income	7	(13.225)	(5.323)
Coupon interest income	7	(416.644)	(159.391)
Interest expense	10	7.681	880
Loan interest income	10	(7)	-
Cash used in operations before working capital changes		(796.683)	(417.808)
Decrease/(increase) in receivable REPO agreements		744.325	(744.325)
Decrease in trade and other receivables		9.433	56.530
Increase in financial assets at fair value through profit or loss		(3.466.268)	(2.235.023)
Decrease in fixed term bank deposits		-	2.200
Decrease in trade and other payables		(7.536)	(476.605)
Cash used in operations		(3.516.729)	(3.815.031)
Interest received		416.644	159.391
Dividends received		13.225	5.323
Net cash used in operating activities		(3.086.860)	(3.650.317)
Cash flows from investing activities			
Payment for acquisition of property, plant and equipment	12	(159)	-
Loans granted		(5.000)	-
Net cash (used in)/generated from investing activities		(5.159)	-
Cash flows from financing activities			
Proceeds from issue of share capital		1.550.000	1.700.000
Repayment of borrowings		-	10.000
Repayments of obligations under leases		(48.000)	(18.000)
Proceeds from REPO agreements		1.567.005	2.778.820
Interest paid		-	(880)
Net cash generated from financing activities		3.069.005	4.469.940
Net (decrease)/increase in cash and cash equivalents		(23.014)	819.623
Cash and cash equivalents at beginning of the year		2.142.914	1.323.291
Cash and cash equivalents at end of the year	19	2.119.900	2.142.914

The notes on pages 12 to 41 are an integral part of these financial statements.

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. Reporting entity

Wise Wolves Finance Ltd (the "Company") is domiciled in Cyprus. The Company was incorporated in Cyprus on 25 October 2016 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 30B Gladstonos, 3041 Limassol, Cyprus.

On 25 September 2017, the Company acquired a license (license number: 337/17) from the Cyprus Securities and Exchange Commission (CySEC) in order to perform the activities of an investment firm. The Company is licensed to offer the investment services of reception and transmission of orders in relation to one or more financial instruments, execution of orders on behalf of clients and dealing on own account.

The Company is also licensed to offer the ancillary services of safekeeping and administration of financial instruments, including custodianship and related services, granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction. Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings. Foreign exchange services where these are connected to the provision of investment services. Investment research and financial analysis or other forms.

2. Basis of accounting

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention, except in the case of financial assets at fair value through profit or loss, which are measured at their fair value.

3. Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Company.

4. Adoption of new and revised IFRSs and interpretations by the European Union (EU)

During the current year the Company adopted all the changes to International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a significant effect on the financial statements of the Company.

5. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively - that is, in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

5.1 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- "Income taxes" - to determine any provision for income taxes.

5.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6. Significant accounting policies

The following accounting policies have been applied consistently for all the years presented in these financial statements.

6.1 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all fair value changes, interest and dividends.

Brokerage services

Brokerage services income represent fee that arise on brokerage services provided to clients and is recognised when the Company transfers control over the service to customer. This is measured based on the terms specified in the contract with a customer.

Performance obligations and revenue recognition policies
The fee is calculated based on a fixed percentage on the value of the client's transactions for which the Company acts as a broker. The safekeeping charge is calculated as a percentage on the value of the assets under custody.

Revenue recognition policies under IFRS 15
Revenue from brokerage services is recognised over time as the services are provided.

Interest income

Interest income represents coupon interest from investments in bonds, interest from repo transactions and interest earned on bank accounts. Interest income is recognised on a time proportion basis using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the life of the financial instruments to the gross carrying amount of the financial asset.

Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are presented in net trading income.

6.2 Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

6. **Significant accounting policies** (continued)

6.3 Finance costs

Finance expenses include interest expense, as well as bank and payment service providers charges and foreign exchange losses. Interest expense is recognised to profit or loss using the effective interest method. Bank and payment service providers charges and exchange losses are recognised in profit or loss in the period in which they incurred.

6.4 Foreign currency translation

(i) Functional currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), which is Euro (€).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non monetary items that are measured based on historical cost in a foreign currency are not translated.

6.5 Intangible assets

(i) Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, estimated at ten years. Amortisation commences when the computer software is available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted accordingly.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

6. **Significant accounting policies** (continued)

6.6 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

6.7 Financial instruments

6.7.1 Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6. Significant accounting policies (continued)

6.7 Financial instruments (continued)

6.7.2 Classification and subsequent measurement

6.7.2.1 Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive income (FVOCI) debt investment; Fair Value through Other Comprehensive income (FVOCI) equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

6. Significant accounting policies (continued)

6.7 Financial instruments (continued)

6.7.2 Classification and subsequent measurement *(continued)*

6.7.2.1 Financial assets *(continued)*

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

6. Significant accounting policies (continued)

6.7 Financial instruments (continued)

6.7.2 Classification and subsequent measurement *(continued)*

6.7.2.1 Financial assets *(continued)*

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest (continued)

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable-rate features;

– prepayment and extension features; and

– terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

6. Significant accounting policies (continued)

6.7 Financial instruments (continued)

6.7.2 Classification and subsequent measurement (continued)

6.7.2.2 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

6.7.3 Impairment

- *Financial instruments and contract assets*

The Company recognises loss allowances for ECLs on:

– financial assets measured at amortised cost;

– debt investments measured at FVOCI; and

– contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

6. **Significant accounting policies** (continued)

6.7 Financial instruments (continued)

*6.7.3 **Impairment** (continued)*

- *Financial instruments and contract assets (continued)*

The Company considers a financial asset to be in default when:

– the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

– the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

- *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

- *Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;

– a breach of contract such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

6. Significant accounting policies (continued)

6.7 Financial instruments (continued)

6.7.3 Impairment *(continued)*

- *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

- *Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6.8 Derecognition of financial assets and liabilities

Financial assets

The Company derecognises a financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) when:

- the contractual rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company transfers the rights to receive the contractual cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Transferred financial assets that are not derecognised in their entirety

Sale and repurchase agreements

Sale and repurchase agreements are transactions in which the Company sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. The Company continues to recognise the securities in their entirety in the statement of financial position because it retains substantially all of the risks and rewards of ownership. The cash consideration received is recognised as a financial asset and a financial liability is recognised representing the obligation to pay the repurchase price. Because the Company sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred assets during the term of the arrangement.

6. Significant accounting policies (continued)

6.8 Derecognition of financial assets and liabilities (continued)

The table below sets out the carrying amounts and fair values of financial assets transferred through sale and repurchase agreements that are not derecognised, and associated liabilities. These carrying amounts are included in the "pledged financial assets at FVTPL" line item in the statement of financial position.

	2021	2020
	€	€
Carrying amount of assets	8.777.178	5.873.502
Carrying amount of associated liabilities	(6.310.078)	(4.743.073)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when it is replaced by another from the same lender on substantially different terms, or when the terms of the liability are substantially modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

6.9 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has the legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

6.10 Impairment of non-financial assets

Assets (other than biological assets, investment property, inventories and deferred tax assets) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

6.11 Share capital

Ordinary shares are classified as equity.

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6. Significant accounting policies (continued)

6.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

6.13 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

7. Net trading income

	2021	2020
	€	€
Dividend income	13.225	5.323
Reimbursement from brokers	-	5.159
Net (loss)/gain on financial assets mandatorily measured at fair value through profit or loss	(104.393)	601.746
Coupon interest income	416.644	159.233
Brokerage fee/commission	416.061	522.039
Interest income from REPO transactions	685	1.395
	742.222	1.294.895

8. Direct operating expenses

	2021	2020
	€	€
Other brokerage services	42	42
Subscriptions to information service providers	80.607	90.061
Interest Expense on REPO Deals	51.292	5.503
Broker safekeeping charges and fees	174.487	187.227
	306.428	282.833

9. Administrative and promotion expenses

	2021 €	2020 €
Directors' remuneration	88.372	7.843
Staff salaries and contributions	547.233	498.515
Non executive directors' fees	12.684	12.000
CySEC fees	22.141	20.658
Registrar annual fee	350	350
Insurance	835	701
Charitable donations	550	-
Sundry staff costs	15.948	2.568
IT supplies and licenses	10.387	3.803
Independent auditors' remuneration - current year	14.300	15.000
- prior years	(200)	(1.970)
Legal fees	36.529	16.395
Other professional fees	99.766	37.350
Fines	-	111
Travelling	1.756	4.579
Irrecoverable VAT	43.337	26.455
Amortisation of computer software	1.511	1.511
Depreciation	56.934	17.127
Sundry expenses	1.719	6.158
	954.152	669.154

10. Net finance income and (costs)

	2021 €	2020 €
Finance income		
Loan interest	7	-
Interest on margin call accounts	-	29
Other interest income	-	129
Foreign exchange profit	-	78
	7	236
Finance costs		
Interest on obligations under lease	(7.681)	(880)
Bank and payment service providers charges	(11.294)	(13.052)
Foreign exchange loss	(157.176)	-
	(176.151)	(13.932)

11. Taxation

Reconciliation of tax based on the taxable income and tax based on accounting losses:

	2021 €	2020 €
Accounting (loss)/profit before tax	(694.502)	316.448
Tax calculated at the applicable tax rates	(86.813)	39.556
Tax effect of expenses not deductible for tax purposes	54.848	33.982
Tax effect of allowances and income not subject to tax	(7.657)	(83.958)
Tax effect of loss for the year	39.622	10.420
Tax as per statement of profit or loss and other comprehensive income - charge	-	-

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Tax losses may be carried forward for five years. Group companies may deduct losses against profits arising during the same tax year. As at 31 December 2021, the balance of tax losses which is available for offset against future taxable profits amounts to €396.896 for which no deferred tax asset is recognised in the statement of financial position.

12. Property, plant and equipment

	Computer hardware €
Cost	
Additions	159
Balance at 31 December 2021	159
Amortisation	
Depreciation for the year	13
Balance at 31 December 2021	13
Carrying amounts	
Balance at 31 December 2021	146
Balance at 31 December 2020	-

13. Right-of-use assets

2021	Right-of-use asset €
Cost	
Balance at 1 January	51.381
Lease term modifications	70.186
Balance at 31 December	121.567
Depreciation	
Balance at 1 January	34.254
Amortisation for the year	56.921
Balance at 31 December	91.175
Carrying amounts	
Balance at 31 December	30.392

2020	Right-of-use asset €
Cost	
Balance at 1 January	29.277
Lease term modifications	22.104
Balance at 31 December	51.381
Depreciation	
Balance at 1 January	14.638
Amortisation for the year	17.127
Lease term modifications	2.489
Balance at 31 December	34.254
Carrying amounts	
Balance at 31 December	17.127

On transition to IFRS16, the Company as of 1 January 2019 recognised an amount of €29.277 as a right-of-use asset and an equivalent amount of €29.277 as obligations under leases, related to the rental expense. In 2019, the right-of-use asset was amortised over a period of two years from 1 January 2019 to 31 December 2020. However, due to lease term modifications made during 2020, the right-of-use asset was recalculated and adjusted accordingly, in order to reflect changes made in relation to the leasing period, which has been extended.

The additional amount of ROU recognised within the year resulted from the increase of rent as from 1st of January 2021, from €1.500 to €4.000 per month.

The right-of-use asset is amortised over the period of the lease contract which expires on 31st of December 2021.

When measuring obligations under leases, the Company discounted lease payments using its incremental borrowing rate, which is estimated at 3,5%.

14. Intangible assets

2021	Computer software €
Cost	
Balance at 1 January	15.111
Balance at 31 December	15.111
Amortisation	
Balance at 1 January	4.707
Amortisation for the year	1.511
Balance at 31 December	6.218
Carrying amounts	
Balance at 31 December	8.893

2020	Computer software €
Cost	
Balance at 1 January	15.111
Balance at 31 December	15.111
Amortisation	
Balance at 1 January	3.196
Amortisation for the year	1.511
Balance at 31 December	4.707
Carrying amounts	
Balance at 31 December	10.404

15. Loans receivable

	2021 €	2020 €
Balance at 1 January	-	-
New loans granted	5.000	-
Interest charged	7	-
Balance at 31 December	5.007	-

15. **Loans receivable** (continued)

On 6 December 2021, the Company entered into a loan agreement with a counterparty for the amount of €5.000, bearing an interest rate of 2%. The repayment date was set on 5 May 2022 "loan repayment date", however the Company may at any time and in its own discretion make a call or demand for the repayment of the loan, provided that such call or demand is made at least 40 calendar days prior to the effective loan repayment date. Such notice shall designate a new repayment date which shall prevail the initial repayment date as per the agreement. The loan is unsecured.

The exposure of the Company to credit risk is reported in note 25 to the financial statements.

The fair value of receivable loans approximates to their carrying amounts as presented above.

16. Receivables under reverse REPO agreements

	2021 €	2020 €
Receivables under reverse REPO agreements (Note 24 (iv))	-	744.325

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 25 to the financial statements.

17. Trade and other receivables

	2021 €	2020 €
Trade receivables	630	500
Investors compensation fund	54.667	54.667
Other receivables	8.495	12.692
Refundable VAT	8.148	13.514
	71.940	81.373

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 25 to the financial statements.

18. Financial assets at FVTPL

Financial assets designated as at fair value through profit or loss are analysed as follows:

	2021 €	2020 €
Current investments - mandatorily at FVTPL		
Debt securities publicly traded	8.890.797	6.657.675
Equity securities publicly traded	1.189.656	218.079
	10.080.453	6.875.754
Debt securities publicly traded - pledged under REPO agreements	8.260.253	5.873.502
Debt securities publicly traded - not pledged	630.544	784.173
Equity securities publicly traded - pledged under REPO agreements	516.925	-
Equity securities publicly traded - not pledged	672.731	218.079
	10.080.453	6.875.754

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to publicly quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are held for trading.

In the statement of cash flows, financial assets at FVTPL are presented within the section on operating activities as part of changes in working capital. In the statement of comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

The exposure of the Company to market risk in relation to financial assets is reported in note 25 to the financial statements.

19. Cash and cash equivalents

Cash balances are analysed as follows:

	2021 €	2020 €
Cash with brokers and payment service providers	1.253.135	1.166.228
Bank current accounts	866.765	976.686
Fixed term bank deposits	3.850	3.850
Accumulated impairment losses on cash and cash equivalents	(16.814)	(16.814)
	2.106.936	2.129.950

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 25 to the financial statements.

20. Share capital

	2021 Number of shares	2021 €	2020 Number of shares	2020 €
Authorised				
Ordinary shares of €1 each	5.000	-	5.000	-
Issued and fully paid				
Balance at 1 January	4.095	4.095	3.925	3.925
Issue of shares	155	155	170	170
Balance at 31 December	4.250	4.250	4.095	4.095

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 25 October 2016 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

On 16 December 2016, the Company issued additional 1.000 shares of €1 each at a share premium of €198 each. On 21 April 2017, the Company issued additional 300 shares of €1 each at a share premium of €999 each. On 13 February 2018 and 27 August 2018, the Company issued additional 250 and 750 shares respectively of €1 each, at a share premium of €999 each.

On 26 March 2019, the Company issued additional 300 shares of €1 each, at a share premium of €999 each. On 21 June 2019, the Company issued additional 200 shares at €1 each, at a share premium of €999 each. On 2 October 2019, the Company issued additional 50 shares at €1 each, at a share premium of €9.999 each. On 25 November 2019, the Company issued additional 50 shares of €1 each, at a share premium of €6.999 each. On 23 December 2019, the Company issued additional 25 shares of €1 each, at a share premium of €9.999 each. The total share premium for the year amounted to €1.599.375.

On 30 June 2020, the Company issued additional 50 shares of €1 each, at a share premium of €9.999 each. On 21 August 2020, the Company issued additional 80 shares at €1 each, at a share premium of €9.999 each. On 29 December 2020, the Company issued additional 40 shares at €1 each, at a share premium of €9.999 each. The total share premium for the year amounted to €1.699.830.

On 15 April 2021, the Company issued additional 50 shares of €1 each, at a share premium of €9.999 each. On 14 September 2021, the Company issued additional 25 shares at €1 each, at a share premium of €9.999 each. On 30 December 2021, the Company issued additional 80 shares at €1 each, at a share premium of €9.999 each. The total share premium for the year amounted to €1.549.845.

21. Obligations under REPO agreements

	2021	2020
	€	€
Current liabilities		
Obligations under REPO agreements	6.310.078	4.743.073

Carrying amount of collateral provided in respect of the above €8.777.178 (2020: €5.873.502).

Collateral provided includes securities sold under the sale and repurchase agreements.

The Company continues to recognise these securities in the statement of financial position and present them within pledged financial assets as at FVTPL.

The exposure of the Company to interest rate risk in relation to financial instruments is reported in note 25 to the financial statements.

22. Obligations under lease

	2021	2020
	€	€
Balance at 1 January	17.385	14.890
Additions	70.186	22.104
Repayments	(48.000)	(18.000)
Interest charge on lease liability	7.681	880
Adjustment due to lease modification	-	(2.489)
Balance at 31 December	47.252	17.385

	Minimum lease payments 2021	Interest 2021	Principal 2021	Minimum lease payments 2020	Interest 2020	Principal 2020
	€	€	€	€	€	€
Within one year	48.000	748	47.252	18.000	615	17.385

On transition to IFRS16, the Company as of 1 January 2019 recognised an amount of €29.277 as a right-of-use asset and an equivalent amount of €29.277 as obligations under leases, related to the rental expense. In 2019, the right-of-use asset was amortised over a period of two years from 1 January 2019 to 31 December 2020. However, due to lease term modifications made during 2020, the right-of-use asset was recalculated and adjusted accordingly, in order to reflect changes made in relation to the leasing period, which has been extended.

The additional amount of ROU recognised within the year resulted from the increase of rent as from 1st of January 2021, from €1.500 to €4.000 per month.

The fair values of lease obligations approximate to their carrying amounts as presented above.

The exposure of the Company to interest rate risk in relation to financial instruments is reported in note 25 to the financial statements.

23. Trade and other payables

	2021	2020
	€	€
Trade payables	674	15.093
Social insurance and other taxes	19.408	12.222
Shareholder's current account (Note 24 (vi))	-	1.602
Accruals	14.306	13.007
	34.388	41.924

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to liquidity risk in relation to financial instruments is reported in note 25 to the financial statements.

24. Related party transactions

Since 14 December 2017, the Company is controlled by Wise Wolves Group Ltd, incorporated in Cyprus, which owns 100% of the Company's shares.

The transactions and balances with related parties are as follows:

(i) Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2021	2020
	€	€
Non executive directors' fees	12.684	12.000
Directors' remuneration	88.372	7.843
	101.056	19.843

(ii) Brokerage fee/commission

	2021	2020
	€	€
Under common control companies	75.480	96.572
Parent company	3.752	16.033
	79.232	112.605

24. Related party transactions (continued)

(iii) Expenses

	Nature of transactions	2021 €	2020 €
Fellow subsidiary	Rent	48.000	18.000
Fellow subsidiary	Rent - VAT	-	4.790
Fellow subsidiary	Annual services	1.850	1.850
Fellow subsidiary	PSP charges	38.684	27.740
Under common control	Transfer fees	-	400
Under common control	Donations	550	-
		89.084	52.780

(iv) Receivables under reverse REPO agreements (Note 16)

Name	2021 €	2020 €
Parent company	-	658.109
Under common control	-	86.216
	-	744.325

(v) Cash held with related parties

	2021 €	2020 €
Fellow subsidiary	809.237	-

(vi) Shareholder's current account (Note 23)

	2021 €	2020 €
Ultimate beneficial owner	-	1.602

25. Financial instruments - fair values and risk management

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

25. Financial instruments - fair values and risk management (continued)

Financial risk factors (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value			
		Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2021	Note	€	€	€	€	€	€	€
Assets measured at fair value								
Financial assets mandatorily measured at FVTPL	18	10.080.453	-	10.080.453	10.080.453	-	-	10.080.453
Total		10.080.453	-	10.080.453	10.080.453	-	-	10.080.453
Financial assets not measured at fair value								
Trade and other receivables	17	71.940	-	71.940	-	-	-	-
Cash and cash equivalents	19	2.123.750	-	2.123.750	-	-	-	-
Loans receivables	15	5.007	-	5.007	-	-	-	-
Total		12.281.150	-	12.281.150	-	-	-	-
Financial liabilities not measured at fair value								
Obligations under REPO agreements	21	-	(6.310.078)	(6.310.078)	-	-	-	-
Obligations under lease	22	-	(47.252)	(47.252)	-	-	-	-
Trade and other payables	23	-	(34.388)	(34.388)	-	-	-	-
Total		-	(6.391.718)	(6.391.718)	-	-	-	-

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

25. Financial instruments - fair values and risk management (continued)

Financial risk factors (continued)

		Carrying amount			Fair value	
		Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Total
31 December 2020	Note	€	€	€	€	€
Assets measured at fair value						
Financial assets mandatorily measured at FVTPL	18	6.875.754	-	6.875.754	6.875.754	6.875.754
Total		6.875.754	-	6.875.754	6.875.754	6.875.754
Financial assets not measured at fair value						
Trade and other receivables	17	81.373	-	81.373	-	-
Cash and cash equivalents	19	2.146.764	-	2.146.764	-	-
Receivables under REPO agreements	16	744.325	-	744.325	-	-
Total		2.891.089	-	2.891.089	-	-
Financial liabilities not measured at fair value						
Obligations under REPO agreements	21	-	(4.743.073)	(4.743.073)	-	-
Obligations under leases	22	-	(17.385)	(17.385)	-	-
Trade and other payables	23	-	(41.924)	(41.924)	-	-
Total		-	(4.802.382)	(4.802.382)	-	-

25. Financial instruments - fair values and risk management (continued)

Financial risk factors (continued)

(i) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has credit risk mainly resulting from deposits with banks and brokers and from investments in debt securities. The Company has policies in place to ensure that it uses credit institutions and brokers with appropriate credit history and quality in order to limit its credit exposure and investing in debt securities that represent listed securities.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021 €	2020 €
Financial assets at fair value through profit or loss	10.080.453	6.875.754
Loans receivable	5.007	-
Trade and other receivables	71.940	81.373
Bank current accounts	866.765	976.686
Cash with brokers and payment service providers	1.253.135	1.166.228
Fixed term bank deposits	3.850	3.850
Receivables under reverse REPO agreements	-	744.325
	12.281.150	9.848.216

Cash and cash equivalents

The table below shows an analysis of the Company's fixed-term bank deposits, bank current accounts and cash with brokers and payment service providers by the credit rating of the institution in which they are held:

Based on credit ratings by Moody's - long term bank deposit	No of institutions	2021 €	2020 €
A2	1	825.087	971.843
Baa3	1	28.607	-
B1	1	425.843	-
Without credit rating	5	844.213	1.174.921
Total, before expected credit loss	8	2.123.750	2.146.764

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses, such as maintaining sufficient cash and other highly liquid current assets and by having access to credit facilities.

25. Financial instruments - fair values and risk management (continued)

Financial risk factors (continued)

(ii) Liquidity risk *(continued)*

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2021	Carrying amounts €	Contractual cash flows €	Within 12 months €	Between 1-5 years €	More than 5 years €
Obligations under finance leases	47.252	48.000	48.000	-	-
Obligations under REPO agreements	6.310.078	6.310.078	6.310.078	-	-
Trade and other payables	34.388	34.388	34.388	-	-
	6.391.718	6.392.466	6.392.466	-	-

31 December 2020	Carrying amounts €	Contractual cash flows €	Within 12 months €	Between 1-5 years €	More than 5 years €
Obligations under finance leases	17.385	18.000	18.000	-	-
Obligations under REPO agreements	4.743.073	4.743.073	4.743.073	-	-
Trade and other payables	40.322	40.322	40.322	-	-
Payables to related parties	1.602	1.602	1.602	-	-
	4.802.382	4.802.997	4.802.997	-	-

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Price risk

The Company is exposed to financial risks arising from changes in prices of equity securities, debt securities and index options. The Board of Directors monitors such changes in prices, as well as the mix of instruments in its portfolio and acts accordingly.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

25. Financial instruments - fair values and risk management (continued)

Financial risk factors (continued)

(iii) Market risk *(continued)*

Interest rate risk *(continued)*

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2021	2020
	€	€
Fixed rate instruments		
Financial assets	8.895.797	6.657.675
Financial liabilities	(6.310.078)	(4.743.073)
	2.585.719	1.914.602

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the U.S. Dollar. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Capital management

The Company's objectives when managing capital are (i) to comply with the capital requirements set by the regulator (CySEC), (ii) to safeguard the Company's ability to continue as a going concern and (iii) to maintain a strong capital base to support the development of the business.

The Company's policy of capital management is designated to maintain the capital base sufficient to keep the confidence of customers, creditors, other market participants and to secure the future development of the Company.

The Company monitors Own fund requirements, Capital adequacy and the use of the regulatory capital at least on a monthly basis, in accordance with the IFR & IFD prudential framework. Furthermore, the Company submits the relevant capital adequacy forms to its Regulator on a quarterly basis. As at 31 of December 2021, the Company's Own Funds comprised entirely out of Common Equity Tier 1 capital.

As of the 26 of June 2021, the capital adequacy and overall risk management requirements that applied to the Company, as well as the majority of EU investment firms, under the Capital Requirements Regulation & Directive ("CRR & CRDIV") prudential framework, have been replaced by amended prudential rules. In particular, EU Regulation 2019/2033 on the prudential requirements of investment firms ("Investment Firm Regulation" or "IFR") and EU Directive 2019/2034 on the prudential supervision of investment firms ("Investment Firm Directive" or "IFD") – harmonized through the issuance of the Cyprus Law on the Prudential Supervision of CIFs of 2021 (165(I)/2021) – have been developed to address the specific vulnerabilities and risks inherent to investment firms by means of proportionate and appropriate prudential arrangements.

25. Financial instruments - fair values and risk management (continued)

Capital management (continued)

The new rules introduce several changes to the methodologies that investment firms are required to apply for quantifying their exposure to risk and deriving their Capital Adequacy ratio, as well as to their required level of initial capital, their obligations concerning liquidity, their Internal Capital Adequacy Assessment Process ("ICAAP") which is replaced by the Internal Capital & Risk Assessment ("ICARA") Process, and many more.

The Capital Adequacy ratio is calculated as the capital base divided by the capital requirements. The capital base may consist of Common Equity Tier I ("CETI "), Additional Tier I and/or Tier 2 capital. The capital requirements for the Firm are measured by obtaining the maximum of the Firm's Fixed Overhead Requirement, the Permanent Minimum Capital Requirement ("PMCR") and the k-factor capital requirements.

As per the new rules, investment firms are required to maintain own funds consisting of the sum of their Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital, and shall meet all the following conditions at all times:

a) Common Equity Tier 1 Capital of at least 56% of Own Funds Requirements.

b) Common Equity Tier 1 Capital and Additional Tier 1 Capital of at least 75% of Own Funds Requirements.

c) Common Equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital of at least 100% of Own Funds Requirements.

In addition to the Own Funds Requirements, as previously mentioned, a Liquidity Requirement was introduced by the IFR according to which the Company is required to maintain liquidity levels equal to at least one third of its Fixed Overhead Requirement. As at 31 of December 2021 the Company satisfied the Liquidity Requirement. The Company monitors the level of its liquid assets on a monthly basis.

As at 31 December 2021 the Company was in compliance with its Capital adequacy ratios requirements.

26. Off balance sheet items

In order to facilitate its clients' trading activities, the Company has opened clients' accounts with various banks. In such bank accounts the Company holds clients' assets (cash and securities) under a fiduciary capacity. As such, those assets are not recognised in the financial statements.

As at end of the year the Company kept, on behalf of its clients, cash amounting to €6.899.561 (2020: €794.482).

Bank group of the banks where the Clients' cash balances are held based on credit ratings by Moody's of long term bank deposit	No of banks	2021 €	2020 €
A2	1	6.685.934	794.482
Baa3	1	213.627	-
Total	**2**	**6.899.561**	**794.482**

27. Events after the reporting period

In February 2022, following the recognition of self-proclaimed republics of Donetsk and Lugansk by the Russian Federation, additional sanctions were introduced by the United States of America, the European Union and some other countries.

In recent days and weeks, following the commencement of military operations in Ukraine by the Russian Federation, additional severe sanctions were imposed by the United States of America, the European Union and some other countries on the Russian government, as well as major financial institutions and certain other entities and individuals in Russia. In addition, restrictions were introduced on supply of various goods and services to Russian entities.

WISE WOLVES FINANCE LTD

ADDITIONAL INFORMATION

For the year ended 31 December 2021

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ADDITIONAL INFORMATION

For the year ended 31 December 2021

Schedule 1

WISE WOLVES FINANCE LTD

COMPUTATION OF WEAR AND TEAR ALLOWANCES

For the year ended 31 December 2021

			COST				ANNUAL ALLOWANCES				
	Year	%	Balance 1/1/2021 €	Additions for the year €	Disposals for the year €	Balance 31/12/2021 €	Balance 1/1/2021 €	Charge for the year €	On disposals €	Balance 31/12/2021 €	Net value 31/12/2021 €
Computer hardware											
Additons	2021	20	-	159	-	159	-	32	-	32	127
			-	159	-	159	-	32	-	32	127
Computer software											
Computer software	2017	33	8.131	-	-	8.131	8.131	-	-	8.131	-
Computer software	2018	33	6.980	-	-	6.980	6.980	-	-	6.980	-
			15.111	-	-	15.111	15.111	-	-	15.111	-
Total assets			15.111	159	-	15.270	15.111	32	-	15.143	127

Schedule 2

WISE WOLVES FINANCE LTD

COMPUTATION OF CORPORATE TAX

For the year ended 31 December 2021

	Schedule	€	€
Net loss before tax per income statement			(694.502)
Add:			
Depreciation and amortisation		58.445	
Fair value losses on financial assets at fair value through profit or loss		104.393	
Foreign exchange loss		157.176	
Registrar annual fee		350	
Interest on lease liability		7.681	
Restriction on administrative expenses		110.735	
			438.780
			(255.722)
Less:			
Annual wear and tear allowances	1	32	
Dividend income		13.225	
Rent expense of right-of-use asset		48.000	
			(61.257)
Net loss for the year			(316.979)
Loss brought forward			(79.917)
Loss carried forward			(396.896)

CALCULATION OF TAX LOSSES FOR THE FIVE YEAR PERIOD

Tax year	Profits/(losses) for the tax year	Gains Offset		Gains Offset		Gains Offset	
	€	Amount €	Year	Amount €	Year	Amount €	Year
2016	-	-		-		-	
2017	(176.866)	176.866	2019	-		-	
2018	(210.761)	133.872	2019	-		-	
2019	310.738	-		-		-	
2020	(3.028)	-		-		-	
2021	(316.979)	-		-		-	

	€
Net tax loss carried forward	(396.896)