

**INVESTMENT COMPANY "FINVEO" JSC
PODGORICA**

**AUDIT REPORT OF FINANCIAL
STATEMENTS FOR THE YEAR 2022**

"FINVEO" JSC PODGORICA

**AUDIT REPORT OF FINANCIAL STATEMENTS FOR
THE YEAR 2022**

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MANAGEMENT REPORT

This statement is given in connection with the audit of financial statements of the Investment Company "FINVEO" JSC, Podgorica on day 31.12.2022. for the purposes of expressing an opinion on whether the financial statements realistically and objectively, on all relevant issues, present the financial condition of the Investment Company "FINVEO" JSC, Podgorica as of December 31st, 2022, business results and cash flows for the year ended on that day in accordance with International Accounting Standards/International Financial Reporting Standards and the Regulations of Montenegro.

We accept our responsibility for a true and fair view of the financial statements in accordance with International Accounting Standards, International Financial Reporting Standards, and the Accounting Regulations of Montenegro.

According to our best knowledge and belief, we hereby confirm the following:

1. Management and persons who have a significant role in the internal control system or persons who may have a material influence on the financial statements were not involved in illegal actions.
2. We have provided you with all business books and supporting documentation.
3. We confirm the comprehensiveness of the information provided regarding the identification of related entities.
4. There are no material misstatements or omissions in the financial statements.
5. The Company acted in accordance with all aspects of the provisions of the contract which, in case of non-compliance, could have material effects on the financial statements. There was no non-compliance with the requirements of the legislative and executive bodies, which, in case of non-compliance, could have material effects on the financial statements.
6. We have presented all incurred, as well as potential liabilities.
7. We have no plans or intentions that could materially alter the carrying amount or classification of assets and liabilities presented in the financial statements.
8. We do not plan to leave our current core business.
9. The Company has undisputed ownership of the assets presented in the financial statements and has no collateral or other encumbrances on any of the Company's assets.
10. There were no events after the balance sheet date that would require adjustments or disclosures in the financial statements or notes thereto.

Podgorica, 24.05.2023.

Nikola Pejović, Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS ASSEMBLY OF THE INVESTMENT COMPANY "FINVEO" JSC PODGORICA

Opinion

We have audited the attached financial statements of the Investment Company "FINVEO" JSC, Podgorica (hereinafter, the Company), which include the statement of financial position (balance sheet) on day 31.12.2022., statement of comprehensive income (income statement), statement of changes in equity and statement of cash flows for the year that ended that day, and notes to the financial statements that include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly and objectively, in all material respects, the financial position of Investment Company FINVEO JSC, Podgorica on December 31st, 2022, its financial performance and cash flows for the year ending on that day, in accordance with International Financial Reporting Standards and Accounting Regulations of Montenegro.

Basis for opinion

We conducted the audit in accordance with the Law on Audit of Montenegro and International Standards on Auditing (ISA). Our responsibilities in accordance with time standards are described in more detail in the section of the report entitled Auditor's Responsibilities for the Audit of Financial Statements. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) and ethical requirements relevant to our audit of financial statements in Montenegro, 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 audit opinion.

Key audit questions

The key audit questions are the issues that, in our professional judgment, were of the utmost importance in our audit of the financial statements for the current period. In the current circumstances, we believe that there are no key issues selected for special communication, all aspects are addressed in the context of the audit of financial statements, as well as the formation of our opinion, and certain circumstances to be specified are given in the report.

Responsibility of management and persons authorized to manage financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for those internal controls that it determines are necessary for the preparation of financial statements that do not contain material misstatements resulting from criminal activity or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, matters relating to business continuity and

applying the going concern principle as the accounting basis, unless management intends to liquidate the Company, either to suspend business, or there is no real possibility other than to do so. The persons authorized to manage are responsible for supervising the financial reporting process of the Company.

Auditor's Responsibility for the Audit of Financial Statements

Our goal is to obtain reasonable assurance that the financial statements, taken as a whole, do not contain material misstatements resulting from criminal activity or error, and to issue an auditor's report containing our opinion. Reasonable assurance indicates a high level of assurance but does not guarantee that an audit conducted in accordance with International Standards on Auditing will always reveal material misstatements if any. False statements may result from a criminal act or error and are considered material if it is reasonable to expect that they will, individually or collectively, influence the economic decisions of users made based on these financial statements.

Report on other legal requirements

The Company's management is responsible for assembling and presenting the annual Management Report in accordance with the requirements of the Accounting Law.

Our opinion on the financial statements does not include the annual management report and except to the extent that this is explicitly stated in our report, we do not express any form of conclusion that provides assurance about them.

In accordance with Audit Law, it is our responsibility to read the annual management report and express an opinion on the compliance of the annual management report for 2022 with the financial statements for that business year.

Regarding the annual management report, we performed the procedures in accordance with the requirements of the Accounting Law. These procedures include checking that the annual management report contains the information required by Article 11 of the Accounting Law.

Based on the procedures we performed during the audit of the financial statements, in our opinion:

- The information presented in the annual report of the Company's management for the year for which the financial statements were prepared is harmonized with the attached financial statements.
- The Management Report of the Company was prepared in accordance with Article 11 of the Accounting Law of Montenegro.

Based on the knowledge of the Company's operations and its environment acquired during the audit, we have not established that there are material misstatements in the annual management report.

In Podgorica, 24.05.2023.

"Reviko" LLC Podgorica
Svetomir Aković Executive Director

Boško Nilević, authorized auditor



Company name: Investment Company "FINVEO" JSC Podgorica

Headquarters: Cetinjska no. 11, 81 000 Podgorica, Montenegro

PIB 03321169

Activity Code 6499

**FINANCIAL POSITION STATEMENT /BALANCE SHEET/
on day 31.12.2022.**

in EUR-

Account group, account	POSITION	Ordinal number	Note number	Amounts		
				Current year	The previous year	
					Final state 2021	Initial state 2021
1	2	3	4	5	6	
	ACTIVE ASSETS					
00	A. UNPAID SUBSCRIBED CAPITAL	001		-	-	-
	B. PERMANENT ASSETS (003+008+016)	002		187 250	140 663	-
01	I INTANGIBLE INVESTMENTS (004 to 007)	003	13	79 901	78 619	-
010	1. Development investments	004		-	-	-
011 and 014	2. Concessions, patents, licenses and similar rights and other intangible investments	005		48 864	61 377	-
012	3. Goodwill	006		-	-	-
016 and 015	4. Advances for intangible assets and intangible assets in preparation	007		31 037	17 242	-
	II PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (009+010+011+015)	008	14	69 250	62 044	-
020 and 022	1. Land and structures	009		19 700	18 970	-
023, 027 (part)	2. Plant and equipment	010		28 370	43 074	-
	3. Other built-in equipment, tools, and equipment (012+013+014)	011		21 180	-	-
024	3.1. Investment property	012		-	-	-
021 and 025	3.2. Biological assets	013		-	-	-
026 and 029	3.3. Other unmentioned tangible fixed assets	014		21 180	-	-
028 and 027	4. Advances for property, plant, equipment and biological assets and property, plant, equipment, and biological assets in preparation	015		-	-	-
	III LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (017 to 023)	016		38 099	-	-
030, 039 (part)	1. Participation in the capital of dependent legal entities	017		-	-	-
033 (part), 039 (part)	2. Long-term loans to parent and dependent legal entities	018		-	-	-
31 (part), 32 (part), 039 (part)	3. Equity investments in legal entities (excluding subsidiaries)	019		-	-	-

033 (part), 039 (part)	4. Long-term loans to legal entities with equity participation (excluding subsidiaries)	020		-	-	-
031 (part), 032 (part)	5. Equity participations that are valued by the equity method	021		-	-	-
032 (part), 034, 035, 036, 039 (part)	6. Long-term financial investments (given loans and securities)	022	15	38 099	-	-
038, 039 (part)	7. Other long-term financial investments and receivables	023		-	-	-
288	C. DEFERRED TAX ASSETS	024		-	-	-
	D. CURRENT ASSETS (026+031+039+043+044)	025		6 453 038	6 321 812	-
	I. SUPPLIES (027 do 030)	026		-	2 864	-
10	1. Material stocks (production material, spare parts, small inventory, and car tires)	027		-	-	-
11	2. Incomplete production	028		-	-	-
12 and 13	3. Finished products and goods	029		-	-	-
15	4. Gives advances	030		-	2 864	-
	II. SHORT - TERM RECEIVABLES (032 to 035)	031	16	2 611 363	4 328 431	-
202, 203, 209 (part)	1. Trade receivables	032		2 493 954	3 816 391	-
200, 209 (part)	2. Receivables from parent and dependent legal entities	033		-	-	-
201, 209 (part)	3. Receivables from other related parties	034		-	465 835	-
	4. Other receivables (036+037+038)	035		117 409	44 205	-
223	4.1. Receivables for higher paid income tax	036		-	-	-
27	4.2. Value added tax receivables	037		-	-	-
21, 22, excluding 223	4.3. Other unspecified receivables	038		117 409	44 205	-
	III. SHORT - TERM FINANCIAL INVESTMENTS (040 to 042)	039	17	1 005 653	-	-
236 (part)	1. Participation in the capital of dependent legal entities intended for trading	040		-	-	-
237	2. Repurchased own shares and repurchased own parts	041		-	-	-
23 except 236 (part) excluding 237	3. Other short-term financial placements	042		1 005 653	-	-
24	IV. CASH ON ACCOUNTS AND IN CASH REGISTER	043	18	2 836 022	1 990 517	-
04	V. FIXED ASSETS INTENDED SALES AND ASSETS WHICH HAS BEEN SUSPENDED	044		-	-	-
28 excluding 288	E. ACTIVE DEFERRED INCOME	045	19	369 665	681 027	-
	F. TOTAL ACTIVE (001+002+024+025+045)	046		7 009 953	7 143 502	-
	PASSIVE			-	-	-

	A. CAPITAL (102+103+104+105+111+116)	101		2 048 664	1 480 448	-
30	I. FUNDAMENTAL CAPITAL	102	20	730 000	730 000	-
31	II. UNPAID SUBSCRIBED CAPITAL	103		-	-	-
320	III. ISSUE PREMIUM FEE	104		-	-	-
	IV. RESERVES (106+107+108+109-110)	105		-	-	-
321	1. Legal reserves	106		-	-	-
322 (part)	2. Statutory reserves	107		-	-	-
322 (part)	3. Other reserves	108		-	-	-
330 and credit balance accounts 331, 332, 333, 334, 335 and 336	4. Positive revaluation reserves and unrealized gains on financial assets and other components of other comprehensive income	109		-	-	-
debit balance accounts 331, 332, 333, 334, 335 and 336	5. Negative revaluation reserves and unrealized losses on financial assets and other components of other comprehensive income	110		-	-	-
	VI. RETAINED EARNINGS OR LOSSES (112+113-114-115)	111		1 318 664	750 448	-
340	1. Retained earnings from previous years	112		622 030	3 057	-
341	2. Retained earnings for the current year	113		696 634	747 391	-
350	3. Loss of previous years	114		-	-	-
351	4. Loss for the current year	115		-	-	-
	VII. PARTICIPATION NOT PROVIDING CONTROL	116		-	-	-
	B. LONG - TERM PROVISIONS AND LONG - TERM LIABILITIES (118+122)	117		-	-	-
	I. LONG - TERM PROVISIONS (119 to 121)	118		-	-	-
404 (part)	1. Provisions for benefits and other employee benefits	119		-	-	-
400 (part)	2. Provisions for costs within the warranty period	120		-	-	-
40, excluding 400 404	3. Other long-term reserves	121		-	-	-
41	II. LONG - TERM LIABILITIES (123+124)	122		-	-	-
414, 415	1. Long-term credits	123		-	-	-
41 excluding 414, 415	2. Other long-term liabilities	124		-	-	-
498	C. DEFERRED TAX LIABILITIES	125		1 343	1 573	-
495 (part)	D. LONG - TERM DEFERRED INCOME AND DONATIONS RECEIVED	126		-	-	-
	E. SHORT - TERM PROVISIONS AND SHORT - TERM LIABILITIES (128+129)	127		4 195 008	5 220 893	-
467	I SHORT - TERM PROVISIONS	128		-	-	-

	II SHORT - TERM LIABILITIES (130 to 137)	129	21	4 195 008	5 220 893	-
422 (part), 423 (part), 424 (part), 425 (part), 426 1 429 (part)	1. Liabilities based on loans and borrowings from persons other than credit institutions	130		19 815	19 081	-
422 (part), 423 (part), 424 (part), 425 (part) and 429 (part)	2. Liabilities based on loans from credit institutions	131		-	-	-
430	3. Advances received, deposits and bills	132		-	-	-
433 and 434	4. Liabilities to suppliers	133		25 118	285 994	-
439 (part)	5. Bills of exchange obligations	134		-	-	-
420 and 431	6. Liabilities to parent and dependent legal entities	135		11 567	5 412	-
421 and 432	7. Liabilities to other related parties	136		2 689 812	4 486 683	-
	8. Other operating liabilities and other current liabilities (138 to 142)	137		1 448 696	423 723	-
439 (part)	8.1. Other operating liabilities	138		1 342 301	336 010	-
45 and 46	8.2. Other short-term liabilities	139		1	-	-
47,48 excluding 481	8.3. Liabilities based on value added tax and other public revenues	140		11 314	14 946	-
481	8.4. Profit tax liabilities	141		95 000	72 967	-
427	8.5. Liabilities based on assets held for sale and assets suspended	142		-	-	-
490, 491, 494, 495 (part), 496, 497 and 499	F. PASSIVE ACCRUALS	143	22	764 920	440 588	-
	G. TOTAL PASSIVE (101+117+125+126+127+143)	144		7 009 953	7 143 502	-

Form harmonized with Article 4 of the Accounting Law ("Official Gazette of Montenegro" No. 145/21) and DIRECTIVE 2013/34 / EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

In Podgorica Person responsible for compiling the financial statement
Nikola Strugar

Responsible person
Nikola Pejović

Date 30.03.2023



The accompanying Notes are an integral part of the financial statements.

Company name: Investment Company "FINVEO" JSC Podgorica

Headquarters: Cetinjska no. 11, 81 000 Podgorica, Montenegro

PIB 03321169

Activity Code 6499

**STATEMENT OF RESULTS /
INCOME STATEMENT /
in the period from 01.01.2022. to 31.12.2022.**

-in EUR-

Account group, account	POSITION	Ordinal number	Note number	Amount	
				Current year	The previous year
1	2	3	4	5	6
60 and 61	1. Sales revenue - net income	201	5	1 883 229	1 099 953
630 and 631	2. Change in the value of inventories of finished products and work in progress	202		-	-
62	3. Revenues from activation of effects and goods	203		-	-
	4. Other operating income (205 to 207)	204		784 465	648 729
64 and 65	a) Other income from regular operations	205	6	776 466	648 729
67, 691 and 692	b) Other operating income	206		7 999	-
68, excluding 683 and 685	c) Revenues from value adjustments of assets	207		-	-
	5. Operating costs (209+210)	208		1 271 044	701 599
50 and 51	a) Cost of goods sold and material costs	209	7	18 131	21 092
53, 54 and 55	b) Other operating expenses (depreciation, provisions, and other operating expenses)	210	8	1 177 141	635 807
540	c) Depreciation costs	210a	9	75 772	43 800
	6. Wage costs, wage compensation and other personal expenses (212+213)	211	10	491 550	271 088
52 (part)	a) Net salary costs, salary compensation and personal expenses	212		377 272	179 620
	b) Tax and contribution costs (214 do 216)	213		114 278	92 068
52 (part)	1/ Tax expense	214		21 675	23 821
52 (part)	2/ Pension contribution costs	215		88 432	44 092
52 (part)	3/ Contribution costs	216		4 171	24 155
	7. Expenses based on value adjustment of assets (except financial) (218+219)	217		-	-
580, 581, 582, 589 (part)	a) Expenses based on value adjustment of fixed assets (except financial)	218		-	-

584, 589 (part)	b) Expenses based on value adjustment of current assets (except financial)	219		-	-
57, 591 and 592	8. Other operating expenses	220		18 173	1 397
	I. Business result (201+202+203+204-208-211-217-220)	221		886 927	774 598
	9. Income from equity participation (223 do 225)	222		-	-
660 (part)	a) Income from participation in the capital of dependent legal entities	223		-	-
661 (part)	b) Income from participation in the capital of other related legal entities	224		-	-
669 (part)	c) Income from participation in the capital of unrelated legal entities	225		-	-
	10. Income from other financial investments and loans (interest, exchange rate differences and effects of contracted protection) (227 to 229)	226		-	-
660 (part)	a) Income from other financial investments and loans from parent and dependent legal entities	227		-	-
661 (part)	b) Income from other financial investments and loans from other related legal entities	228		-	-
662 (part), 663 (part), 664 (part), 669 (part)	c) Income from other financial investments and loans from unrelated legal entities	229		-	-
	11. Other income from interest, exchange rate differences and other effects of contracted protection (231 to 233)	230		3 948 261	652 196
660 (part)	a) Financial income from current receivables from parent and dependent legal entities	231		125 223	-
661 (part)	b) Financial income from current receivables from other related legal entities	232		390 978	-
662 (part), 663 (part), 664 (part), 669 (part)	c) Financial income from current receivables from unrelated legal entities	233	11	3 332 060	652 196
	12. Value adjustment of short-term financial assets and financial investments that are part of current assets (235-236)	234		-	-
683, 685	a) Income from value adjustment of short-term financial assets and financial investments that are part of current assets	235		-	-

583, 585	b) Expenses based on value adjustment of short-term financial assets and financial investments that are part of current assets	236		-	-
	13. Expenses based on interest, exchange rate differences and other effects of contracted protection (238 to 240)	237		3 943 784	605 350
560	a) Expenses based on interest, exchange rate differences and other effects of contracted protection based on relations with parent and dependent legal entities	238		-	-
561	b) Expenses based on interest, exchange rate differences and other effects of contracted protection based on relations with other related parties	239		725 778	-
562, 563, 564, 569	c) Expenses based on interest, exchange rate differences and other effects of contracted protection based on relations with unrelated persons	240	12	3 218 006	605 350
	II. Financial result (222+226+230+234-237)	241		(95 523)	46 846
	III. Result from ordinary activities before tax (221+241)	242		791 404	821 444
690 - 590	IV. Net result of discontinued operations	243		-	-
	V. Result before tax (242+243)	244		791 404	821 444
	14. Tax expense period (246+247)	245		94 770	74 053
721	1. Current income tax	246		95 000	72 867
732	2. Deferred tax expense or income for the period	247		(230)	1 186
	15. Profit or loss after tax (244-245)	248		696 634	747 391
	VI. GROSS RESULT OF OTHER RESULTS / CAPITAL RELATED ITEMS / (250 to 257)	249		-	-
330	1. Changes in revaluation reserves based on real estate, plant, equipment, intangible assets and biological assets	250		-	-
331	2. Changes in unrealized gains and losses based on the translation of financial statements of foreign operations	251		-	-
332	3. Changes in unrealized gains and losses on investments in equity instruments	252		-	-
333	4. Changes in actuarial gains and losses on defined benefit plans (or losses) in connection with defined benefit pension plans	253		-	-

334	5. Changes in participation in other comprehensive results of associates	254	-	-
335	6. Changes in unrealized gains and losses on hedging instruments of net investments in foreign operations	255	-	-
336	7. Changes in revaluation reserves based on cash flow hedging	256	-	-
337	8. Other changes in unrealized gains and losses	257	-	-
	VII. DEFERRED TAX EXPENSES OR INCOME FOR THE PERIOD RELATED TO OTHER ITEMS OF RESULTS / RELATED TO CAPITAL /	258	-	-
	VIII. NET RESULT OF OTHER RESULTS ITEMS / RELATED TO CAPITAL / (249-258)	259	-	-
	IX. NET COMPREHENSIVE RESULT (248-259)	260	696 634	747 391
	X. EARNINGS PER SHARE	261	-	-
	1. Basic earnings per share	262	-	-
	2. Reduced (diluted) earnings per share	263	-	-
	XI. NET RESULT BELONGING TO OWNERS OF THE PARENT LEGAL ENTITY	264	-	-
	XII. NET RESULT BELONGING TO PARTICIPANTS WHICH DO NOT PROVIDE CONTROL	265	-	-

Form harmonized with Article 4 of the Law on Accounting ("Official Gazette of Montenegro" No. 145/21) and DIRECTIVE 2013/34 / EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

In Podgorica Person responsible for compiling the financial statement
Nikola Strugar

Responsible person
Nikola Pejović

Date 30.03.2023

The accompanying Notes are an integral part of the financial statements.

Company name: Investment Company "FINVEO" JSC Podgorica

Headquarters: Cetinjska no. 11, 81 000 Podgorica, Montenegro

PIB 03321169

Activity Code 6499

STATEMENT OF CHANGES IN EQUITY
In the period from 01.01.2022. to 31.12.2022.
 -in EUR-

POSITION	Ordinal number	Amount	
		Current year	The previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflows from operating activities (1 to 3)	301	24 197 797	11 394 659
1. Sales and advances received	302	-	-
2. Interest received from business activities	303	-	-
3. Other inflows from ordinary activities	304	24 197 797	11 394 659
II. Cash outflows from operating activities (1 to 5)	305	21 989 552	10 240 962
1. Payments to suppliers and given advances	306	21 218 782	9 889 184
2. Wages, salaries, and other personal expenses	307	550 488	280 399
3. Interest paid	308	-	-
4. Income tax	309	68 495	-
5. Payments based on other public revenues	310	151 767	71 578
III. Net cash flow from operating activities (I-II)	311	2 208 245	1 153 698
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflows from investing activities (1 to 5)	312	1 470	-
1. Sale of shares and stakes	313	-	-
2. Sale of intangible assets, real estate, plant, equipment, and biological assets	314	-	-
3. Other financial investments	315	-	-
4. Interest received from investing activities	316	1 470	-
5. Dividends received	317	-	-
II. Cash outflows from investing activities (1 to 3)	318	1 300 197	114 767
1. Purchase of shares and stakes	319	-	-
2. Purchase of intangible assets, real estate, plant, equipment, and biological assets	320	42 025	114 767
3. Other financial investments	321	1 258 172	-
III. Net cash flow from investing activities (I-II)	322	(1 298 727)	(114 767)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflows from financing activities (1 to 3)	323	-	605 000
1. Increase in share capital	324	-	605 000
2. Long-term and short-term loans	325	-	-
3. Other long-term and short-term liabilities	326	-	-
II. Cash outflows from financing activities (1 to 4)	327	121 997	-
1. Repurchase of own shares and stakes	328	-	-
2. Long-term and short-term loans and other liabilities	329	-	-
3. Financial leasing	330	-	-
4. Dividends paid	331	121 997	-
III. Net cash flow from financing activities (I-II)	332	(121 997)	605 000
D. NET CASH FLOW (311+322+332)	333	787 521	1 643 931
E. CASH AT THE BEGINNING OF THE REPORTING PERIOD	334	1 900 517	178 599
F. GAINS ON EXCHANGE BASIS ON CASH TRANSFERS	335	316 423	167 987
G. FOREIGN EXCHANGE LOSSES ON THE BASIS OF CASH CONVERSION	336	258 439	-

INVESTMENT COMPANY "FINVEO" JSC PODGORICA

POSITION	Ordinal number	Amount	
		Current year	The previous year
1	2	3	4
"B. CASH AT THE END OF THE REPORTING PERIOD (333+334+335-336)"	337	2 836 022	1 990 517

Form harmonized with Article 4 of the Law on Accounting ("Official Gazette of Montenegro" No. 145/21) and DIRECTIVE 2013/34 / EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

In Podgorica Person responsible for compiling the financial statement
Nikola Strugar

Responsible person
Nikola Pejović

Date 30.03.2023



The accompanying Notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

-in EUR-

Position	DESCRIPTION	Red. br.	Basic capital (group 30 without 309)	Other capital (or.no. 309)	Unpaid subscribed capital (group 31)	Issue premium (or.no. 320)	Reserves (or.no. 321, 322)	Revaluation reserves (group 33)	Retained earnings (group 34)	Loss (group 35)	Repurchased own shares and stakes (or.no. 237)	Total (quantity) 2+3+4+5+6+7+8-9-10
			2	3	4	5	6	7	8	9	10	11
1.	Balance of the day 01.01.2021.	401	125 000	-	-	-	-	-	3 057	-	-	128 057
2.	Effects of retroactive correction of material errors and changes in accounting policies	402	-	-	-	-	-	-	-	-	-	-
3.	Adjusted starting balance per day 01.01. 2021. (or.no. 1+2)	403	125 000	-	-	-	-	-	3 057	-	-	128 057
4.	Net changes in year 2021.	404	605 000	-	-	-	-	-	747 391	-	-	1 352 391
5.	Balance of the day 31.12. 2021. (or.no. 3+4)	405	730 000	-	-	-	-	-	750 448	-	-	1 480 448
6.	Effects of retroactive correction of material errors and changes in accounting policies	406	-	-	-	-	-	-	-	-	-	-
7.	Adjusted starting balance on day 01.01.2022. (or.no. 5+6)	407	730 000	-	-	-	-	-	750 448	-	-	1 480 448
8.	Net changes in year 2022.	408	-	-	-	-	-	-	568 216	-	-	568 216
9.	Balance of the day 31.12. 2022. (or.no. 7+8)	409	730 000	-	-	-	-	-	1 318 664	-	-	2 048 664

Form harmonized with Article 4 of the Law on Accounting ("Official Gazette of Montenegro" No. 145/21) and DIRECTIVE 2013/34 / EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

In Podgorica Person responsible for compiling the financial statement
Nikola Strugar

Date 30.03.2023

Responsible person
Nikola Pejovic



The accompanying Notes are an integral part of the financial statements.

1 ESTABLISHMENT AND ACTIVITY

Investment company "FINVEO" JSC, Podgorica (hereinafter "the Company") was founded on 20.08.2020. The Company is registered in the Central Register of Business Entities of the Tax Administration in Podgorica under registration number 4-0009763 and tax identification number ("PIB") 03321169. The share capital of the Company is registered in the amount of EUR 125,000, or 125,000 shares with a nominal value of EUR 1.

The company was established under the name "BETA INVESTMENTS" AD Podgorica. On March 11, 2021, the Company changed its name to "FINVEO" JSC, Podgorica.

The founder and the only Company shareholder is "Inveo Beta Uluslararası Is Gelistirme Yatirim A.S".

Pursuant to Law on Capital Markets the Company received a license to provide investment services and perform investment activities by The Capital Market Authority by Decision no. 03 / 2-2 / 11-20 from 31.07.2020.

The Securities Commission gave its consent to the Founding Decision, the Statute, the Business Plan, as well as other documentation

The main activity of the Company are brokerage operations with securities and stock exchange goods. The activities that the Company may perform in accordance with the license are as follows:

- receiving and transferring orders related to one or more financial instruments
- execution of orders for the client's account
- keeping and administration of financial instruments for the account of clients, including custody services and related services, such as cash and collateral management
- foreign currency business services related to the provision of investment services

By the decision of the Capital Market Commission 03 / 2-2 / 13-21 from 20.05.2021. year, the Company was issued an approval to extend the license to provide investment services and perform investment activities. The Company may provide the following investment services and perform investment activities referred to in Article 206, paragraph 1, items 3, 4, 5, 6 and 7 of the Law on Capital Market (Official Gazette of Montenegro No. 01/18):

- trading for your own account.
- portfolio management.
- investment consulting.
- services for conducting the offer, i.e., sale of financial instruments with the obligation to purchase.
- services of conducting an offer, i.e., sale of financial instruments without the obligation to purchase.

In addition, the Company may provide the following ancillary services from Article 206 paragraph 2 items 2, 3, 5, 6 and 7 of the Law:

- granting loans and credits to the investor in order to enable the conclusion of a transaction with one or more financial instruments, if the transaction involves a company that provides a loan or credit;
- making general recommendations regarding the capital structure, business strategy and related issues and services related to the merger and acquisition of shares in companies;

- research and financial analysis or general recommendations regarding transactions in financial instruments;
- services related to the implementation of the offer or sale of financial instruments with the obligation to purchase;
- investment services and activities, as well as ancillary services related to the basic property contained in the derivative referred to in Article 3, paragraph 1, item 4, sub-item. b, c, and d of the Law, if they are related to investment and ancillary services.

By the decision of the Central Register of Business Entities number 4-0009763 / 009 from 28.05.2021. The Company registered an increase in the share capital in the amount of EUR 605,000, so the total share capital of the Company on 31.12.2022. year 730,000 EUR.

Number of employees on 31.12.2022. was 38.

The Company's headquarters are in Podgorica, St. Cetinjska no. 11.

The bodies of the Society are:

- Shareholder meeting as the highest body of the Company,
- Board of Directors, as a management and governing body of the Company, which has three members,
- Executive Director, appointed by the Board of Directors and representing the Company,
- Secretary,
- Certified auditor of the Company and
- Board of Auditors.

Brief description of business activities and business processes

In accordance with the Law on Capital Markets and the license issued by The Capital Market Authority, the Company currently operates as a STP broker (straight-through process - automated process performed exclusively through electronic transfers). This means that the Company provides its customers with direct access to the market through its platform.

The main activity of the Company is trade in Contracts for Differences ("CFD") in accordance with contracts for the provision of investment services to clients. CFD is a contract, a derivative financial instrument that represents a bilateral agreement between two parties, the value of which increases or decreases, depending on the price of the underlying asset. It is basically a contract concluded in the trade of financial derivatives where the differences in the settlement between the open and closed position are settled in cash and there is no delivery of physical goods or securities. CFDs are recognized as financial instruments by the Law on Capital Markets.

The Company offers its clients the following CFDs:

- CFDs on currency pairs,
- CFDs on stocks,
- Index CFDs,
- CFDs on the goods.

Trading takes place through the MetaTrader 4 platform, which provides the client with real-time financial instrument prices, as well as the ability to submit trading orders. The minimum deposit required for trading is 100 USD. Client accounts for trading are forwarded directly to the liquidator for execution via the

MetaTrader 4 platform. The profit that the client receives is added to his previous account balance and vice versa, his balance will be reduced by the loss he bears. The client is protected from a negative balance, which means that he can only lose those funds that he has already invested as a deposit or those that he acquired during the previous trading.

Liquidity providers are institutions or individuals that act in the financial market as a "market maker" (market organizer), which means that they act in the market as buyers and sellers of certain financial instruments. The key role of the liquidity provider is to ensure market price stability as well as market liquidity.

Since the Company acts as an STP broker on the market, and not as a "market maker", the Company forwards all client orders to liquidity providers for execution. This means that when a client opens a trading position with the Company, it is automatically forwarded to the liquidity provider. At the time of closing the position by the client, the Company may close the position with one liquidity provider or open a new position with another liquidity provider.

Accordingly, in addition to the effects (gains and losses) based on positions and realized transactions, the Company monitors the effects (gains and losses) on open trading positions and unrealized transactions.

To achieve greater liquidity, stability, price competence, the Company has developed cooperation with several liquidity providers. Below is a list of current liquidity providers with whom the Company has signed agreements:

- Gedik Yatirim Menkul Degerler A.S.;
- Saxo Bank;
- CMC Markets;
- Squared Financials limited;
- IS Prime limited;
- ScopeMarkets;
- Swissquote bank;
- Advanced Markets;
- ADS Securities LLC;
- AT Global Markets Limited;
- Britannia Global Markets Limited;
- Zenfinex Global LLC.

2 BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

Statement of compliance

The Company keeps records and compiles financial statements in accordance with the current Law on Accounting (Official Gazette of Montenegro 145/21) and other applicable legislation in Montenegro.

Pursuant to the Law on Accounting, legal entities in Montenegro compile financial statements in accordance with IAS - International Accounting Standards, or IFRS - International Financial Reporting Standards, published by IASB - International Accounting Standards Board and determined and published by the state administration body responsible for finance, ie a legal entity entrusted with the performance of these tasks, which has received the right to translation and publication from the appropriate body IFAC - International Federation of Accountants.

The competent legal entity entrusted with accounting and auditing activities in this regard is the Institute of

Certified Accountants of Montenegro.

The attached individual financial statements are compiled in the format prescribed by the Rulebook on the content and form of financial statements for companies and other legal entities (Official Gazette of Montenegro 013/22), which prescribes the use of a set of financial statements, whose form and content are not fully compliant with requirements of IAS 1 "Presentation of Financial Statements".

Given the above and the fact that certain laws and regulations prescribe accounting procedures that in some cases deviate from the requirements of IFRS, accounting regulations of Montenegro may deviate from the requirements of IFRS, which may affect the reality and objectivity of the accompanying financial statements. Accordingly, the accompanying separate financial statements cannot be considered financial statements prepared in full compliance with IFRS in the manner defined by the provisions of IAS 1 "Presentation of Financial Statements".

Impact and application of new and revised IFRS and IAS

Based on the notification of the Institute of Certified Accountants of Montenegro, the standards issued on 31.07.2013.

The Company's management analyzes the changes in the applicable Standards and Interpretations, as well as the newly adopted Standards and Interpretations issued after 31.07.2013., and after the establishment of Standards and interpretations that are relevant to the Company, intends to apply them in the preparation of financial statements after they are officially translated and published in Montenegro.

The following review sets out the standards and amendments to existing IAS and IFRS that are applicable for the reporting period and have not been officially translated and published in Montenegro at the date of approval of these financial statements:

Standards	Application date
Changes IAS 32 (Offsetting financial assets and financial liabilities)	01.01.2014.
Changes IFRS 10, MSFI 12 and MRS 27 (Investment entities)	01.01.2014.
Changes IAS 36 (Disclosure of recoverable amount for non-financial assets)	01.01.2014.
Changes IAS 39 (Novation derivatives and continued accounting protection)	01.07.2014.
Changes IFRS 11(Accounting treatment of mergers of investments in joint operations)	01.01.2016.
Changes IAS 16 and IAS 38 (Clarification of the acceptable method of depreciation and amortization)	01.01.2016.
Changes IAS 16 (Agriculture; Perennial crops)	01.01.2016.
Changes IAS 27 (Equity method in individual financial statements)	01.01.2016.
Changes IAS 1 (Encouraging publications)	01.01.2016.
Changes IFRS 10, IFRS 12 and IAS 28 (Dependent entity: Application of consolidation exemption)	01.01.2016.
MSFI 14 (Regulated accruals)	01.01.2016.
Changes IAS 12 (Recognition of deferred tax assets for unrealized losses)	01.01.2017.
Changes IAS 7 (Disclosure initiatives)	01.01.2017.

IFRS 9 Financial instruments	01.01.2018.
IFRS 15 Revenue from customer contracts	01.01.2018.
Changes IAS 40 Investment real estate (Investment real estate transfer)	01.01.2018.
Changes IFRS 2 Share-based payment (Classification and measurement of share-based payment transactions)	01.01.2018.
Changes IFRS 4 Insurance contracts (application of IFRS 9)	01.01.2018.
Changes IFRS 9 Financial instruments (Characteristic prepayment feature with negative compensation)	01.01.2018.
IFRS 16 Leasing	01.01.2019.
Changes IFRS 9 Financial instruments (Prepayment options with negative compensation)	01.01.2019.
Changes IAS 19 Hiring employees (Plan of changes, restrictions, and settlements)	01.01.2019.
Changes IAS 28 Investments in associated entities and joint ventures (Long-term interests in associated entities and joint undertaking)	01.01.2019.

According to Notice No. 20/232 of 27.11.2020. in Montenegro, the International Financial Reporting Standard - IFRS 16 Leasing of January 1st, 2021. was officially translated into official application.

According to the same Notice, the official application of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers is deferred.

Official reporting currency

Amounts in the accompanying financial statements of the Company are stated in EUR, unless otherwise stated. The Euro (EUR) is the functional and reporting currency of the Company.

Using estimation

Compiling financial statements in accordance with the applicable reporting framework requires management to use the best possible estimates and reasonable assumptions, which influence the presented values of assets and liabilities, as well as income and expenses during the reporting period. These estimates and assumptions are based on historical experience, as well as various information available at the date of preparation of the financial statements, which are realistic and reasonable in the circumstances.

Estimates, as well as the assumptions based on which the estimates were made, are subject to regular review. Audited accounting estimates are presented for the period in which they are audited, in case the assessment has an impact only on a given period, or for the period in which they are audited and for future periods, in case the audit affects current and future periods.

The concept of business continuity

The financial statements have been prepared on a going concern basis, which means that the state of the economy and future monetary and economic policy measures will not have a significant negative impact on the Company's future financial position and results of the Company's operations.

The Company's management has no doubts that the Company will be able to continue to operate in accordance with the principle of business continuity for at least 12 months from the date of financial statements (December 31st, 2022) and that any effects caused by the global pandemic COVID-19 will not endanger the Company's operations in 2023, and thus its ability to continue operations in accordance with the above principle.

3 OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

Revenues

Business revenues

The Company calculates revenue on the following basis:

Revenues from commission for order execution. Revenues from commissions for mediation in the purchase and sale of contracts on differences are calculated to clients as a fixed amount per unit of financial instrument (lot). Fee and commission income is reduced based on monthly rebates to approved clients based on the Company's Decision.

Revenues from SWAP commission. Revenues from SWAP commissions includes income from overnight commissions for positions that remained open to the client.

Margin revenue (mark-up). Margin revenue is the revenue generated by the Company based on the difference in the price of the financial instrument at which it forwards transactions to the liquidity provider in relation to the price it offers to customers. Margin income is recognized on a net basis as the difference between the price at which the Company forwards transactions to the liquidity provider in relation to the price it offers to customers.

Revenues are recognized based on the report on realized profit or loss of clients towards the Company and the report on realized profit or loss of the Company according to the liquidity provider, which contain data on realized profit and loss of clients and the Company based on closed trading positions and realized transactions as well as data on realized profit and loss of clients and the Company on the basis of open trading positions and unrealized transactions.

Other operating income

Revenue from rebates received from liquidity providers. Revenue from rebates includes income from discounts granted by liquid providers to the Company depending on the realized turnover, number of transactions, etc.

Revenues from direct losses of clients. Revenues from direct losses of clients include revenues that the Company generates when it acts on the market as a market maker (trading organizer) by retaining clients' trading orders, which bears the overall effect of trading - income when clients make losses, or costs when clients make gains.

Financial revenues

Financial revenue includes revenue from foreign exchange gains on receivables and liabilities, as well as foreign exchange gains based on the translation of balance sheet items denominated in foreign currencies.

Expenses

Expenses are recognized in the income statement according to the principle of causality of income and expenses, ie on an accrual basis and are determined for the period when they were incurred.

Operating expenses

Operating expenses include expenses conditioned by the generation of operating income and include material costs, gross salaries and fees, depreciation costs and costs of services provided by third parties. Operating expenses also include general expenses such as expenses for rent, maintenance, IT services, licenses, legal and accounting support, payment transactions, and other expenses incurred in the current accounting period.

Financial expenses

Financial expenses include expenses from negative exchange rate differences on receivables and liabilities, as well as negative exchange rate differences based on the translation of balance sheet items denominated in foreign currencies.

Conversion of foreign currencies

Business changes in foreign currencies during the year are converted into EUR at the official exchange rates valid on the day of the business change.

All receivables and liabilities in foreign currencies are translated into EUR, at the exchange rate valid on the balance sheet date.

Positive and negative exchange rate differences, arising from the recalculation of receivables and liabilities in foreign means of payment into their equivalent in EUR and the recalculation of operating changes during the year, are recognized in the income statement as financial income, ie financial expenses.

Employee social security contributions

In accordance with the regulations applicable in Montenegro, the Company is obliged to pay contributions to various state funds for social protection. These obligations include contributions at the expense of employees and at the expense of the employer in the amounts calculated by applying the rates prescribed by law. The Company has a legal obligation to suspend the calculated contributions from the gross salaries of employees and to transfer the suspended funds to their account in favor of the appropriate state funds.

Contributions at the expense of employees and at the expense of the employer are charged to expenses in the period to which they relate.

Income tax

Current tax

Income tax is calculated and paid in accordance with the Law on Income Tax for Legal Entities ("Off. Gazette of Montenegro" no. 146/21...152/22), at a progressive rate income tax set at:

- 1) Up to EUR 100.000 is 9%;
- 2) From EUR 100.000,01 to EUR 1.500.000: EUR 9.000 + 12% to the amount over EUR 100.000,01;
- 3) Over EUR 1.500.000,01: EUR 177.000,00 + 15% to the amount over EUR 1.500.000,01.

Taxable profit is determined in the tax balance as profit before tax shown in the income statement, after adjusting income and expenses in the manner prescribed by the tax legislation of Montenegro. The amount of tax thus determined and stated in the tax return is reduced based on tax credits and tax incentives.

The tax legislation of Montenegro does not provide that tax losses from the current period can be used as a basis for refunds of taxes paid in previous periods. However, losses from the current period shown in the tax balance can be used to reduce the profit determined in the tax balance of future accounting periods, but not longer than five years.

Deferred tax

Deferred tax effects are calculated for all temporary differences between the tax base of assets and liabilities and their carrying amount determined in accordance with the accounting regulations of Montenegro. Applicable tax rates at the balance sheet date or tax rates that have become effective after that date are used to determine deferred tax. The Law on Corporate Income Tax prescribes tax rates of 9%. Deferred tax liabilities are recognized in full for all taxable temporary differences. Deferred tax assets are recognized for all deductible

temporary differences, as well as for tax losses and tax credits that may be carried forward to the next fiscal period to the extent that it is probable that taxable profit will be available against which the tax loss and tax credits can be carried forward to use.

Current and deferred taxes are recognized as income and expense and are included in net profit for the period.

Immaterial investments

Immaterial investments are non-monetary assets (not tangible physical assets) such as patents, licenses, concessions, trademarks, trademarks, software, franchises, investments in the development of new products, processes and devices, copyright and more. These funds are likely to generate economic benefits more than the cost over a period of more than one year.

Immaterial investments are measured at cost or cost. After initial recognition, immaterial investments are stated at cost less impairment losses and impairment losses.

Immaterial investments with finite useful lives are amortized on a straight-line basis over their estimated useful lives.

At the date of preparation of the financial statements, the Company has no immaterial investments.

Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated impairment losses and impairment losses. The initial measurement of property, plant and equipment is performed at purchase value or cost price. Purchase value includes expenditure directly attributable to the asset acquired.

Expenditure on property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the asset will flow to the Company and the cost of that asset can be measured reliably. Purchases of property, plant and equipment during the year are recorded at purchase value, which consists of the supplier's invoice increased by the dependent purchase costs and the costs of bringing the asset into a state of functional readiness.

In accordance with the adopted accounting policy, on the balance sheet date, the Company's management analyzes the values at which the Company's intangible and tangible assets are presented. If there is an indication that an asset is devalued, the recoverable amount of the asset is estimated to determine the amount of impairment. If the recoverable amount of an asset is estimated to be lower than the asset's carrying amount, the asset's present value is reduced to its recoverable amount, being the higher of its net realizable value and its value in use. An impairment loss is recognized in the amount of the difference, charged to expenses

Gains on the sale of property, plant and equipment are recognized directly in profit or loss. Losses from the sale or disposal of property, plant and equipment are charged to other expenses

Depreciation of property, plant and equipment is calculated on a straight-line basis using the depreciation rate determined so that the cost of property, plant and equipment is depreciated in equal annual amounts over their useful lives. Depreciation of assets activated during the year is calculated when the assets are put into use.

The applied depreciation rates in the current accounting period are:

	<u>Rate</u>
Office furniture	20%
Computer equipment	33%

Determining the useful life of property, plant and equipment is based on previous experience with similar assets, as well as on anticipated technical developments and changes affected by many economic or industrial factors. The adequacy of a particular useful century is reviewed annually or whenever there is an indication that there has been a significant change in the factors that formed the basis for determining the useful century.

Lease

A contract is (or contains) a lease within the meaning of IFRS 16 if it transfers the right to control the use of the identified property for a specified period of time in exchange for compensation.

Assets with the right of use are initially measured at cost and are depreciated over the life of the leased property or until the end of the lease, whichever is shorter. The right to use includes the initial measurement of the lease obligation, any lease payments made before or on the date of recognition and the initial direct costs. After the date of recognition, assets with the right of use are stated at cost less accumulated depreciation and impairment losses in accordance with IAS 16, Property, Plant and Equipment.

The lease liability is initially measured at the present value of future lease payments at the date of recognition, and is subsequently measured at amortized cost, with interest expense recognized within finance expenses (income) in the income statement.

Financial instruments

Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets and held-to-maturity assets. The classification depends on the purpose for which the funds were obtained. Management classifies its financial investments at the time of initial recognition.

Financial assets at fair value whose effects of changes in fair values are shown in the income statement

Financial assets at fair value whose effects of changes in fair values are shown in the income statement are financial assets held for trading. A financial asset is classified in this category if it is acquired primarily for sale in the short term. Derivatives are also classified as held for trading unless they are designated as a hedging instrument. Assets in this category are classified as current assets. On December 31st, 2022, the Company has no financial assets at fair value whose effects of changes in fair values are shown in the income statement.

Credits and Receivables

Credits and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in any active market. They are included in current assets unless their maturities are longer than 12 months after the balance sheet date. In that case, they are classified as long-term assets.

Receivables consist of receivables from customers at home and abroad and other receivables. Trade receivables are stated at the invoice value less discounts granted, as well as for value adjustments based on the assessment of the collectability of individual receivables. Impairment is formed for those receivables for which there is objective evidence that they are impaired, ie for which the Company's management estimates that they cannot be collected in full, and they are recorded as an expense in the income statement of the period when the assessment was made.

On December 31st, 2022, the Company has receivables from liquidity providers that the Company has realized by trading contracts on differences, as well as receivables from a given deposit for the lease of business premises.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash on hand, funds in bank accounts and other highly liquid financial assets with a maturity of up to 3 months.

Financial resources available for sale

Financial resources available for sale are non-derivative financial assets that are marked as available for sale and are not classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value whose effects of changes in fair values are shown in the income statement. Financial resources available for sale are placements that are intended to be held for an indefinite period, which may be sold due to the need for liquidity or due to changes in interest rates, exchange rates or market prices. If there is no active market for available-for-sale financial assets, if they have a fixed maturity, financial resources available for sale are measured at amortized cost using the effective interest method.

Financial assets held to maturity

Financial assets held to maturity are non-derivative financial assets with fixed or determinable payment terms and fixed payment terms that management has the intent and ability to hold to maturity. In case the Company decides to sell a significant portion of the financial assets held to maturity, the entire category will be reclassified as available for sale. Financial assets held to maturity are classified as long-term assets, unless the maturity is less than 12 months from the balance sheet date, when they are classified as short-term assets.

Valuation of financial assets

Financial instruments are initially measured at market value, which includes transaction costs for all financial assets or liabilities other than those measured at fair value through profit or loss. Financial assets carried at fair value through which the effects of changes in fair value are recognized in the income statement are initially recognized at fair value, and transaction costs are charged to operating expenses in the income statement.

Financial resources available for sale and financial assets at fair value whose effects of changes in fair values are shown in the income statement are recognized at fair value after initial recognition.

Loans and receivables, as well as financial assets held to maturity are measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is the amount at which the asset is initially measured, less principal repayments, and increased or decreased by accumulated amortization using the effective interest method.

Valuation at fair value

The fair value of financial instruments is the amount for which an asset could be exchanged, or a liability settled, between informed, willing parties, within an independent transaction.

Fair value is determined by applying available market information at the reporting date and other valuation models used by the Company.

The fair value of individual financial instruments stated at nominal value is approximately equal to their carrying amount. These instruments include cash, as well as receivables and liabilities that do not have an agreed maturity or an agreed fixed interest rate.

Derecognition of financial resources

The Company derecognizes a financial asset when the rights to receive cash flows from the asset expire or when it transfers those rights to another. Any right under transferred financial assets, created, or retained by the Company, is recognized as a separate asset or liability.

Financial liabilities

Financial liabilities are initially recognized at purchase value, which represents the fair value of the consideration received. After initial recognition, financial liabilities are stated at amortized cost using the effective interest method, except for financial liabilities at fair value through income statement. Depreciated value of a financial liability is the amount at which the liabilities are initially measured, less principal repayments, and increased or decreased by accumulated depreciation using the effective interest method. The Company derecognizes when the obligation is settled, terminated or when it is transferred to another.

Operating liabilities

Liabilities to suppliers and other liabilities from operations are valued at nominal value

4 FINANCIAL RISK MANAGEMENT

The company is in its regular business to a different extent exposed to certain financial risks, and that:

- Currency risk,
- Liquidity risk,
- Market risk,
- Credit risk,
- Operative risk,
- Risk of exposure to one legal entity or group of related parties,
- Risks associated with preventing money laundering and terrorist financing and
- Other risks.

Risk management in the Company is aimed at minimizing potential negative impacts on the financial condition and operations of the Company in a situation of unpredictability of financial markets.

Currency risk

The Company is exposed to the risk of changes in foreign exchange rates when operating in the country and abroad, which arises from operations with different currencies, primarily USD. Currency risk arises in cases of mismatch of financial assets and liabilities denominated in foreign currency and / or with a currency clause. To the extent possible, the Company seeks to minimize currency risk.

The following table shows the Company's exposure to currency risk on December 31st, 2022 and 31st, 2021:

<i>31.december 2022.</i>	EUR	USD	TRY	Total
Financial resources				
Bonds with a maturity of more than one year	-	38.099	-	38.099
Receivables from customers	-	2.493.955	-	2.493.955
Other receivables	29.727	87.682	-	117.409
Bonds with a maturity of up to one year	-	-	1.005.653	1.005.653
Cash and cash equivalents	139.661	2.696.361	-	2.836.022

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Financial liabilities				
Liabilities to suppliers	12.651	2.699.508	14.336	2.726.495
Other operating liabilities	-	1.342.381	-	1.342.381
Short - term liability under IFRS 16	19.815	-	-	19.815
Net foreign exchange position on 31.12.2022.	136.922	1.274.208	991.317	2.402.447

<i>31.december 2021.</i>	EUR	USD	Total
Financial resources			
Receivables from customers	-	4.284.226	4.284.226
Other receivables	21.307	22.899	44.206
Cash and cash equivalents	46.881	1.943.636	1.990.517
Financial liabilities			
Liabilities to suppliers	1.826	4.776.263	4.778.089
Other operating liabilities	-	336.010	336.010
Short-term liability based on the application IFRS 16	19.081	-	19.081
Net foreign exchange position on 31.12.2021.	47.281	1.138.488	1.185.769

Liquidity risk

Liquidity risk is the risk that the Company will not be able to finance funds with appropriate sources of financing in terms of deadlines and rates and the risk of inability to realize the asset at a reasonable price within the appropriate time frame.

The Company manages liquidity to ensure that funding sources are available to meet liabilities when they mature. The Company continuously assesses liquidity risk by identifying and monitoring changes in funding sources needed to meet the Company's business objectives, in accordance with the Company's business strategy.

The following table presents the maturity of financial assets and liabilities, according to the remaining maturity, on December 31st, 2022 and 2021:

<i>31.december 2022.</i>	To 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
Financial resources					
Bonds with a maturity of more than one year	-	-	38.099	-	38.099
Receivables from customers	2.493.955	-	-	-	2.493.955
Other receivables	102.068	15.341	-	-	117.409
Bonds with a maturity of up to one year	-	1.005.653	-	-	1.005.653

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Cash and cash equivalents	2.836.022	-	-	-	2.836.022
Financial liabilities					
Liabilities to suppliers	2.726.495	-	-	-	2.726.495
Other operating liabilities	1.342.381	-	-	-	1.342.381
Short-term liability based on application IFRS 16	-	19.815	-	-	19.815
Maturity compliance on 31.12.2022.	1.363.169	1.001.179	38.099	-	2.402.447

<i>31.december 2021.</i>	To 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
Financial resources					
Receivables to liquidity providers	3.177.650	-	-	-	3.177.650
Receivables from customers	1.106.576	-	-	-	1.106.576
Other receivables	26.583	17.623	-	-	44.206
Cash and cash equivalents	1.990.517	-	-	-	1.990.517
Financial liabilities					
Liabilities to liquidity providers	4.745.076	-	-	-	4.745.076
Liabilities to suppliers	34.016	-	-	-	34.016
Other operating liabilities	336.010	-	-	-	336.010
Short-term liability based on application IFRS 16	11.429	7.651	-	-	19.081
Maturity compliance on 31.12.2021.	1.175.798	9.972	-	-	1.185.769

Market risks

Market risks: risk of price changes, risk of settling liabilities and counterparty risk, risk of exceeding allowed exposures and commodity risk.

Price risk is the risk of loss arising from a change in the price of a financial instrument or, in the case of a derivative, from a change in the price of the basis from which the instrument arises.

The risk of settlement may arise in the situation of concluding a transaction for the purchase of a financial instrument without coverage on the client's account. Settlement risk exposure is measured as the difference between the contract price for a particular debt, equity or commodity instrument and its current market value, but only when that difference constitutes a loss to the Company.

Counterparty risk is the risk of loss arising from a counterparty's default based on trading book positions. It is measured for derivative financial instruments, repo agreements, etc.

Credit risk

Credit risk is the risk of loss that arises due to non-fulfilment of a person's financial obligation to the Company. Credit risk is reflected in the fact that the issuer of a financial instrument is unable to pay contractual interest or principal on its debt obligations. If the Company holds debt securities issued by the government, then it does not apply special measures for measuring credit risk, since they are valid for instruments with the lowest credit risk but also the lowest yield. If the Company owns corporate debt instruments / bonds, then it seeks to measure the amount of credit risk because it is significant.

When assessing the credit risk of individual financial instruments, the Company will use the ratings of rating agencies if this is applicable to a specific credit risk assessment. If not applicable, the Company will use its own techniques for assessing the creditworthiness of both financial instruments and clients, and these are primarily internally developed techniques of fundamental analysis. The method of fundamental analysis involves assessing the creditworthiness of a security or client by examining economic, financial and other qualitative and quantitative factors including macroeconomic factors (as well as factors of overall economy and industrial business conditions) and firm-specific factors (financial condition assessment).

Based on the analysis of the creditworthiness of its clients and the regularity of payment of obligations, the Company assesses whether it is justified to continue cooperation with clients who do not settle their obligations on time.

The Executive Director / Board of Directors may decide to terminate the cooperation and activate the security measures.

Operational risk

Operational risk is the risk of loss due to errors, interruptions or damage that may occur due to inadequate internal procedures, actions of persons, systems, or external events, including the risk of changes in the legal framework. The following overview provides a matrix of events that are a source of operational risk by type of cause:

Cause		Event Category
A	Human Cause	Unauthorized activities; Employee theft and fraud; Internal security system; Employee relations; Diversity and discrimination; Inappropriate business or market practices; Inadequate employment policy.
B	Processes	Safety of the working environment, suitability, transparency and confidentiality; Errors in products and services; Selection, sponsorship and exposure to the client; Advisory activities; Accidents and general safety; Process management, transaction capture and execution; Monitoring and reporting; Client acceptance and adequacy of documentation.
C	Systems	Inadequacy, inefficiency, malfunction, or failure of IT systems Inadequate IT security.
D	External factor	Theft and fraud (by third parties); External security system, other intentional activities, natural disasters; Disasters caused by human factors Political and legal risk (Public services / information) unavailability of providers; Business partners, Sellers and suppliers, Power outages, and the like.

The Company strives to provide physical protection of premises, equipment and documentation by reducing security measures as well as the selection of adequate business premises and to reduce unauthorized activities to a minimum. By establishing a system of internal procedures as well as a system of internal control, the Company ensures compliance with internal decisions and procedures at all levels of management. By properly selecting employees who have the appropriate qualifications, knowledge and experience with authorized investment managers, the Company ensures the quality of services it provides, while taking into account the relations between employees, diversity and reduction of discrimination.

By selecting, constantly improving, and developing new possibilities of the information system, the Company provides adequate information support given the scope and complexity of the services provided by the Company. In addition, the Company provides effective control and protection of IT systems, especially protection of hardware and software from unauthorized access to data, provides adequate training of employees on the use of this system, ensures that every person who has access to the system must have a username and password, as well as the availability of only the functions necessary to perform the work of that person, as well as other activities necessary for the reliability and accuracy of the entered data.

The Company applies and regularly updates accounting procedures in accordance with international financial reporting standards and local regulations and laws governing accounting, which allow timely submission of financial statements as a true and fair view of the company's financial situation.

The risk of changing the legal framework represents a large part of the risk for the Company, as there are constant changes in legal regulations in the process of harmonization with EU legislation. Changes in legal regulations may have a special impact on the Company in terms of internal organization, trading system, financial requirements, requirements for the minimum number of employees and types of services, etc. Considering all possible types of operational risk and established systems for minimizing and avoiding them, the relevance of operational risk for the Company is low.

The Company adopts a contingency plan and a business continuity plan that ensures business continuity and limits losses in cases of significant disruption or business interruption.

As an instrument of protection against operational risk, the Company may use, according to its own assessment and availability, various products of insurance companies.

Risk of exposure to one legal entity or group of related parties

The Company's exposure to one person is the total amount of receivables related to that person or group of related parties (credits, investments in debt securities, equity investments and participations, issued guarantees and avals, etc.). A group of related parties, in the sense of the previous paragraph, are two or more legal or natural persons which, unless proven otherwise, represent one risk for the Company and:

- one of these persons has direct or indirect control over the other person;
- they are interconnected in such a way that there is a high probability that due to a change in the business and financial condition of one person there may be a change in the business and financial condition of another person, and between them there is a possibility of transferring loss, profit or creditworthiness;
- they are related to each other as family members. The risk of exceeding the allowed exposures is the risk of loss due to exceeding the exposure to one person or group of related persons based on positions from the trading book.

Risks associated with preventing money laundering and terrorist financing

The client risk assessment process involves assessing each individual risk factor and performing an overall client risk assessment. Depending on the risk factors, based on which the degree of risk of an individual client or group of clients is determined (client risk factors, risk factors related to business relationships, transactions, services, distribution channels or products, as well as country-specific risk factors or geographical area), all clients can be classified into the following groups:

- Clients with low risk A,
- Clients with medium risk B,
- Clients with higher risk C.

The degree of identified risk posed by a particular business relationship or transaction, determines the scope of applied measures of knowledge and monitoring of the client's business and control of transactions. The measures taken by the Company to monitor these parameters are defined by the program of measures to prevent money laundering and terrorist financing and are published on the Company's website, which makes them publicly available.

Other risks

Risk of competition

The risk of competition is the risk that there will be a decrease in profitability or loss in the Company's operations due to the emergence of potential new competitors, the emergence of substitutes for services and changes in the needs of clients with whom the Company does business. In its work, the Company strives to reduce the impact of competition risk to a minimum by the quality of its offer as well as the offer tailored to the needs of its clients.

Financial crisis and reducing demand for services

A financial crisis is a situation in which the value of financial institutions or assets declines rapidly. It is often associated with panic in which investors sell off assets or withdraw money from savings accounts with the expectation that the value of these funds will fall if they remain within financial institutions.

The financial crisis can also come because of overvalued assets and can be exacerbated because of the behaviour of individual investors. A rapid series of sales could further lead to lower property prices or more withdrawals of savings. If stays u uncontrolled, the crisis may cause the country's economic activity to decline into recession or depression. Given that it most often comes as an external factor, the Company is not able to influence the occurrence of this risk, but its activities will seek to adequately adjust and reduce the negative effects of financial crises on its business.

5 SALES REVENUES

	On 31. December 2022.	On 31. December 2021.
Income from commission for order execution	468.159	162.785
Overnight commission income - SWAP	255.440	254.936
Margin revenue (mark-up)	1.310.357	682.232
Income from direct losses of clients - b book income	1.002.768	-
Discounts given to clients	(1.164.715)	-
Income based on profit sharing	11.194	-
Income from participation in bond brokerage	26	-
Total:	1.883.229	1.099.953

For the year ending on December 31st, 2022 the Company reported discounts given to the clients in the amount of EUR 1.164.715 (as of December 31st, 2021 EUR 0). The mentioned discounts refer to regular monthly discounts to clients with whom the Company has concluded a contract in the amount of EUR 969.671, rebates based on the clients application for technical delay of the system in the implementation of the so-called transaction. "Slippage" in the amount of EUR 49.686 and other fees, which include commission fees, the traded price, etc. in the amount of EUR 145.357.

Income from direct losses of clients (b book income) for 2021 is reported under other operating income.

6 OTHER OPERATING REVENUES

	On 31. December 2022.	On 31. December 2021.
Revenue from discounts received from the Liquidity provider	776.466	491.051
Income from direct losses of clients - b book income	-	157.678
Other revenue	7.999	-
Total:	784.465	648.729

7 MATERIAL EXPENSE

	On 31. December 2022.	On 31. December 2021.
Office supplies costs	6.883	10.495
Cost of tools and inventory less then 300 EUR	5.046	5.327
Costs of calculating the write-off of tools and inventory	5.410	2.801
Electricity and fuel costs	792	3.368
Total:	18.131	21.992

8 OTHER OPERATING EXPENSES

	On 31. December 2022.	On 31. December 2021.
License costs	378.160	240.686
Advertising and marketing costs	154.776	26.833
Sponsorship and donation costs	143.400	4.763
Costs of IT services for creating a site, server, data storage on the cloud, integration, etc.	136.580	118.323
Costs of professional services (lawyers, consulting, accounting and translators services)	79.771	46.514
Payment transaction costs	69.386	40.146
Costs of sales team services - outsourcing	63.898	13.391
Representation costs	52.162	11.759
Costs of PTT services	50.456	40.570
Costs of fees for the Capital Market Authority	17.320	25.895
Maintenance and rental costs	17.152	31.905
Other operating expenses	14.080	35.022
Total:	1.177.141	635.807

9 DEPRECIATION COSTS

	On 31. December 2022.	On 31. December 2021.
Depreciation costs of intangible assets	14.280	9.469
Depreciation costs of property, plant and equipment	14.942	7.773
Depreciation costs according to IFRS 16 - Leases	46.550	26.558
Total:	75.772	43.800

10 EARNING COSTS, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES

	On 31. December 2022.	On 31. December 2021.
Costs of net earnings	335.879	129.879
Remuneration costs for members of the Management and Audit Boards	16.800	14.454
Costs of net compensation under the employment contract	-	20.528
Tax expense	21.675	23.821
Pension contribution costs	88.432	44.092
Costs of other contributions	4.171	24.155
Other personal expenses (transportation costs on a business trip, accommodation, daily allowance)	24.593	14.159
Total:	491.550	271.088

11 FINANCIAL REVENUES

	On 31. December 2022.	On 31. December 2021.
Income from interest on bond investments	125.223	-
Positive exchange rate differences for receivables and payables	3.392.700	423.378
Positive exchange rate differences for funds in foreign currency	316.424	228.818
Other financial income	13.914	-
Total:	3.848.261	652.196

12 FINANCIAL EXPENSES

	On 31. December 2022.	On 31. December 2021.
Negative exchange rate differences on receivables and payables	3.687.711	544.116
Negative exchange rate differences for funds in foreign currency	255.563	60.836
Interest expense – IFRS16	510	398
Total:	3.943.784	605.350

13 INTANGIBLE ASSETS

	Licenses	Industrial sign	Computer programs	Intangible assets in prepare	Total
Purchase value					
The state on day 01.01.2022.	66.851	2.421	1.573	17.242	88.087
Increases	1.769	-	-	13.795	15.564
The state on day 31.12.2022.	68.620	2.421	1.573	31.037	103.651
Correction values					
The state on day 01.01.2022.	(8.935)	(324)	(210)	-	(9.469)
Increases	(13.482)	(484)	(315)	-	(14.281)
The state on day 31.12.2022.	(22.417)	(808)	(525)	-	(23.750)
Present value on day 31.12.2022.	46.203	1.613	1.048	31.037	79.901
Present value on day 31.12.2021.	57.916	2.098	1.363	17.242	78.619

14 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Office furniture	Tools and inventory with calculative write-off	Right to use the office - IFRS 16	Investments in other fixed assets	Total
Purchase value						
The state on day 01.01.2022.	34.020	2.768	18.036	45.529	-	100.353
Increases	10.545	4.019	9.620	1.751	2.280	28.214
The state on day 31.12.2022.	44.565	6.787	27.656	47.280	2.280	128.567
Correction values						
The state on day 01.01.2022.	(7.625)	(671)	(3.455)	(26.558)	-	(38.309)
Increases	(13.962)	(724)	(5.046)	(1.022)	(255)	(21.008)
The state on day 31.12.2022.	(21.587)	(1.395)	(8.501)	(27.580)	(255)	(59.317)
Present value on day 31.12.2022.	22.978	5.392	19.155	19.700	2.025	69.250
Purchase value						
The state on day 01.01.2021.	14.217	2.768	11.160	-	-	28.145
Increases	19.803	-	6.876	45.529	-	72.208
The state on day 31.12.2021.	34.020	2.768	18.036	45.529	-	100.353
Correction values						
The state on day 01.01.2021.	(405)	(117)	(654)	-	-	(1.176)
Increases	(7.220)	(554)	(2.801)	(26.558)	-	(37.133)
The state on day 31.12.2021.	(7.625)	(671)	(3.455)	(26.558)	-	(38.309)
Present value on day 31.12.2021.	26.395	2.097	14.581	18.971	-	62.044

15 LONG - TERM FINANCIAL PLACEMENTS

Long-term financial placements in the amount of EUR 38.099 (EUR 0 in 2021) refer to investments in government bonds of the Republic of Turkey. The nominal value of the bonds is USD 40.000 and the maturity date is 25th February 2025. Long-term bonds are classified as held-to-maturity financial instruments.

16 SHORT - TERM RECEIVABLES

	On 31. December 2022.	On 31. December 2021.
Receivables from customers - related persons	-	465.835
Receivables from customers - others	-	640.741
Receivables from Liquidity providers	2.493.954	3.177.650
Receivables from employees	1.181	1.766
Receivables for a lease deposit	15.341	15.341
Receivables from PSP providers	100.882	27.098
Receivables for overpaid contributions	5	-
Total:	2.611.363	4.328.431

17 SHORT - TERM FINANCIAL PLACEMENTS

Short-term financial placements in the amount of EUR 1.005.653 (EUR 0 in 2021) are investments in corporate bonds.

	Maturity date	Nominal value in currency (TRY)	Interest rate	Converted value in EUR to 31.12.2022
Bond 1	25.01.2023.	13.364.869	18%	669.418
Bond 2	15.11.2023	6.712.888	22%	336.235

Short-term bonds are classified as held-to-maturity financial instruments.

18 CASH ON ACCOUNTS AND CASH REGISTERS

	On 31. December 2022.	On 31. December 2021.
Cash on current account – corporate	56.524	14.734
Cash on current account – pool	6.773	499
Cash on foreign currency account – corporate	1.227.869	1.656.748
Cash on foreign currency account – pool	1.531.679	317.012
Petty Cash	2.383	462
Other funds	10.794	1.062
Total:	2.836.022	1.990.517

The Company conducts its business through banks in the country, namely: Zirat Bank AD Montenegro, AD Hipotekarna banka, NLB Montenegro banka and banks abroad: Raiffeisen Bank AD Zagreb and Swissquote Bank in Switzerland.

19 PREPAYMENTS AND ACCRUED INCOME

	On 31. December 2022.	On 31. December 2021.
Reservations of income based on open positions that Finveo has with the Liquidity provider	244.441	681.027
Income reservations based on investments in short-term bonds	125.224	-
Total:	369.665	681.027

20 CAPITAL

	On 31. December 2022.	On 31. December 2021.
Fundamental capital	730.000	730.000
Retained earnings of the current year	696.634	747.391
Retained earnings from previous years	622.030	3.057
Total:	2.048.664	1.480.448

The fundamental capital of the Company consists of share capital which as at December 31st, 2022 amounts to EUR 730.000 (in 2021: EUR 730.000) and consists of 730.000 shares with a nominal value of EUR 1.

During 2022, the Company paid a gross dividend to the founder in the amount of EUR 128.418.

21 SHORT - TERM LIABILITIES

	On 31st December 2022.	On 31st December 2021.
Lease obligations - IFRS 16 Lease	19.815	19.081
Liabilities to suppliers	36.684	33.013
Liabilities to Liquidity providers - related parties	2.689.812	4.486.683
Liabilities to Liquidity providers - others	-	258.393
Other operating liabilities	1.342.381	336.010
VAT liabilities	7.871	10.999
Tax liabilities for employment contracts	-	32
Income tax liabilities	95.000	72.867
Deductible tax liabilities	3.445	3.815
Total:	4.195.008	5.220.893

Other operating liabilities relate to liabilities to customers based on paid deposits for trading on the platform, reduced by clients losses based on trading and increased by gains based on trading.

22 PASSIVE ACCRUALS

	On 31. December 2022.	On 31. December 2021.
Calculated uninvoiced electricity costs, PTT, cleaning, software development, fee to the Capital Market Commission	11.610	12.867
Cost reservation based on discounts given to clients	17.975	18.817
Other passive accruals	735.353	408.904
Total:	764.938	440.588

Other passive accruals and deferrals consist of calculated costs based on open trading positions, ie unrealized positions held by clients with the Company and unrealized positions held by Company with Liquidity provider.

23 RELATED PARTY TRANSACTIONS

On 31. December 2022.

	Financial placements	Receivables	Obligations
Gedik Yatirim Menkul Degerler A.S.	-	-	2.689.812
Inveo Yatirim A.S.	1.005.653	-	11.567
Total:	1.005.653	-	2.701.379

On 31. December 2021.

	Receivables	Obligations
Gedik Yatirim Menkul Degerler A.S.	465.835	4.486.683
Inveo Yatirim A.S.	-	5.412
Total:	465.835	4.492.095

Compensation to key management

In 2022, the key management of the Company (Executive Director, Board of Directors and Audit committee) received a fee in the amount of EUR 52.199 (in 2021, EUR 37.907).

24 COURT DISPUTES

According to those responsible in the Company, no lawsuits are filed against the Company.

25 EVENTS AFTER THE BALANCE SHEET DATE

Except for the gross dividend payment in the amount of EUR 1.300.000 conducted on March 17th, 2023 after the balance sheet date, there were no events that could have an impact on the financial position and results of operations presented in the financial statements on the day and for the year ended on December 31st, 2022.

Responsible person for compiling financial statements
Nikola Strugar

Responsible person
Nikola Pejović



Date 30.03.2023