

Standalone Financial Statements

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

**as of December 31, 2022 and for the year ended
prepared in compliance to Ukrainian Accounting Standards**

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NOTE: These standalone financial statements are a translation of original, prepared in Ukrainian language. Every effort has been made to ensure that the translation accurately reflects the original document. However, in all cases of interpretation of information, views or opinions, the original version of the report in Ukrainian takes precedence over the translated text.

INDEPENDENT AUDITOR'S REPORT

**ON THE STANDALONE FINANCIAL STATEMENTS OF
SIGMA SOFTWARE LIMITED LIABILITY COMPANY**

as at 31.12.2022 and for the year ended

ACCOUNT Auditing & Consulting LLC, 2023

Shareholders and Management
SIGMA SOFTWARE LLC

QUALIFIED OPINION

We have audited the standalone Financial Statements as at December 31, 2022 and for the year ended (hereinafter – Financial Statements) of the Limited Liability Company SIGMA SOFTWARE (hereinafter – the Company) including:

- Balance Sheet (Statement of Financial Position) as of December 31, 2022;
- Profit and Loss (Comprehensive Income) Statement for the year 2022;
- Statement of Cash Flows (direct method) for the year 2022;
- Statement of Changes in Equity for 2021 and 2022;
- Notes to the Financial Statements, including the summary of significant accounting policies.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying standalone Financial Statements are prepared in all material respects, in accordance with Ukrainian National Accounting Standards (UAS) and in accordance with the requirements of the Law of Ukraine on Accounting and Financial Statements.

BASIS FOR QUALIFIED OPINION

Long-term financial investments

As of December 31, 2022, the Company's balance sheet reflected long-term financial investments in the amount of UAH 320 698 thousand Ukrainian hryvnas. Due to the fact that legal entities have different reporting periods, the Company is unable to obtain data on the financial statements of such legal entities approved prior to the time of preparation and approval of their annual statements.

We were also unable to determine through alternative procedures whether any adjustments to long-term financial investments accounted for using the equity method were necessary as of December 31, 2022, as well as elements forming the statement of comprehensive income and statement of changes in equity for the year ended.

We performed our audit according to International Standards on Auditing (ISA). Our responsibility according to these standards is set out in the Auditor's Responsibility for the Audit of Financial Statements section of our report. We are independent of the Company according to the ethical requirements of the Professional Accountants Code of Ethics issued by the International Accounting Standards Board of Ethics applicable to our audit of financial statements, and have fulfilled other ethics responsibilities according to these requirements.

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

SIGNIFICANT UNCERTAINTY REGARDING THE CONTINUITY OF BUSINESS

We draw attention to the information provided in Notes 2 and 3, which state the existence of circumstances of military aggression and other unfavorable factors affecting the operating environment, country risks and economic conditions that may cause significant changes in the Company's ability to continue its activities on a going concern basis.

The unfavorable external environment in the country due to the conditions of a difficult political situation, exchange rate fluctuations, lack of factors to improve the investment climate may cause a negative impact on the Company's performance and financial condition in the future. Management has used the going concern assumption as a basis of accounting in preparing the financial statements.

We draw the attention of the users of this report to the fact that the Company's activities, as well as the activities of other enterprises in Ukraine, are and will continue to be affected by uncertainty in the future, caused by full-scale armed aggression and the invasion of the Russian Federation into the territory of Ukraine, in connection with which the Decree of the President of Ukraine No. 64/2022 of February 24, 2022 regarding martial law in Ukraine from February 24, 2022 was adopted, based on Article 20 of the Law of Ukraine On the Legal Regime of Martial Law dated May 12, 2015 No. 389-VIII, guided by Article 64 of the Constitution of Ukraine, which, taking into account the official letter of the Ukrainian Chamber of Commerce and Industry dated February 28, 2022 №2024/02.0-7.1 are force majeure circumstances.

It is not possible to determine and calculate the possible cost and quantitative values of the impact of the specified issues at the time of writing this report, however, they may have a negative impact on the economy of Ukraine as a whole, as well as on the location of personnel, administrative units of the Company, and on the performance of the Company.

Our opinion is not modified in respect of this matter.

OTHER INFORMATION

Management is responsible for the other information prepared as of and for the year ended December 31, 2022. Other information comprises the Management Report 2022, but does not include the financial statements and our auditor's 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.

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. We have not identified any facts, other than those described in the Basis for Qualified Opinion paragraph, that should be included in the report.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Ukrainian national Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We communicate with those charged with governance 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.

INFORMATION ABOUT THE AUDITOR

Name: Limited Liability Company ACCOUNT Auditing & Consulting

Registration code: 30778330.

Location: 03150, Kyiv, 97 Velyka Vasytkivska street, office 3

Information on registration: Limited Liability Company ACCOUNT Auditing & Consulting is included into the Registry of independent auditors enabled to perform financial audit engagements, under registration #2319.

Engagement Partner for the audit represented in this independent auditor's report, is Olena Olach, registered as independent auditor #102295.


Olena Olach
Engagement Partner

Registry of Independent auditors # 102295


Julia Kapustina
Managing Director

Registry of Independent auditors # 101915

June 12, 2023

ANNEXES

**Standalone Financial Statements
as at December 31, 2022 and for the year ended**

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Financial statements as of December 31, 2022 and for the year ended

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

as of December 31, 2022

(thousand Ukrainian Hryvnas)

ASSETS	Note	Line code	01.01.2022	31.12.2022
1		2	3	4
I. Non-current assets				
Intangible assets:	4.5, 7	1000	6 542	8 340
historical cost		1001	19 501	36 222
accumulated amortization		1002	(12 959)	(27 882)
Capital investments	9	1005	24	24
Fixed assets:	4.4, 8	1010	92 041	88 760
historical cost		1011	188 791	218 573
accumulated depreciation		1012	(96 750)	(129 813)
Investment property		1015	-	-
Long-term biological assets:		1020	-	-
Long-term financial investments:				
recorded by the equity method	4.13, 6	1030	229 187	320 598
other financial investments		1035	1 606	1 619
Long-term receivables		1040	-	-
Deferred tax assets		1045	-	-
Other non-current assets		1090	-	-
Total of Section I		1095	329 400	419 341
II. Current Assets				
Inventories		1100	-	-
Production inventories		1101	-	-
Work in process		1102	-	-
Finished products		1103	-	-
Goods		1104	-	-
Current biological assets		1110	-	-
Trade receivables:	4.8, 11	1125	93 648	97 017
Receivables related to:				
advances paid	11	1130	16 205	11 331
payments to the budget		1135	15	15
including profit tax		1136	-	-
Other current receivables		1155	653	332 159
Current financial investments	7	1160	-	-
Cash and its equivalents:	10	1165	105 519	84 886
Bank accounts		1167	105 519	84 886
Prepaid expenses		1170	790	415
Other current assets		1190	-	-
Total of Section II		1195	216 830	525 823
III. Non-current assets held for sale and retirement groups		1200	-	-
Balance		1300	546 230	945 164

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Financial statements as of December 31, 2022 and for the year ended

Liabilities	Notes	Line code	01.01.2022	31.12.2022
1		2	3	4
I. Equity				
Registered (share) capital	5	1400	1 000	1 000
Capital in revaluation surpluses		1405	-	-
Additional paid-in capital		1410	668	18 549
Capital reserves		1415	-	-
Retained profit (uncovered loss)		1420	129 389	281 786
Subscribed capital unpaid		1425	-	-
Withdrawn capital		1430	-	-
Total of Section I		1495	131 057	301 335
II. Long-term liabilities and provisions				
Deferred tax liabilities		1500	-	-
Long-term bank loans		1510	-	-
Other long-term liabilities		1515	-	-
Long-term provisions		1520	-	-
Target financing	4.9, 18	1525	10	-
Total of Section II		1595	10	-
III. Current liabilities and provisions				
Short-term bank loans		1600	-	-
Current payables relating to:				
long-term liabilities		1610	-	-
trade payables	4.9, 12	1615	125 885	346 116
payments to the budget	16	1620	5 668	5 960
including those related to the profit tax		1621	5 659	5 922
insurance payments		1625	5	-
payroll payments		1630	-	-
Current liabilities relating to advances received	5, 12	1635	209 616	217 646
Current liabilities relating to settlements with shareholders	5	1640	73 607	73 607
Prepaid incomes		1665	-	-
Other current liabilities	12	1690	382	500
Total of Section III		1695	415 163	643 829
IV. Liabilities related to non-current assets held for sale and retirement groups		1700	-	-
V. Net value of assets of a non-government pension fund		1800	-	-
Balance		1900	546 230	945 164

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Financial statements as of December 31, 2022 and for the year ended

**PROFIT AND LOSS (COMPREHENSIVE INCOME) STATEMENT
for the year 2022**

(thousand Ukrainian Hryvnas)

I. PROFIT AND LOSS

Item	Note	Line code	2022	2021
1		2	3	4
Sales revenue	4.11, 14	2000	1 987 053	1 513 689
Cost of sales		2050	(1 825 625)	(1 300 849)
Gross:				
profit		2090	161 428	212 840
loss		2095	-	-
Other operating income		2120	84 050	1 082
Administrative expenses		2130	(120 767)	(113 545)
Selling expenses		2150	-	-
Other operating costs		2180	(9 180)	(13 150)
Profit/loss from operating activities:				
Profit		2190	115 531	87 227
Loss		2195	-	-
Equity income	6	2200	61 588	49 396
Other finance income		2220	218	2 681
Other income		2240	-	-
Financial expenses		2250	-	-
Losses from equity share	6	2255	(3 042)	(4 021)
Other expenses		2270	-	-
Profit/loss from ordinary operations before taxes:				
Profit		2290	174 295	135 283
Loss		2295	-	-
Costs (income) from the income tax		2300	(21 898)	(17 630)
Profit (loss) from terminated activities after tax		2305	-	-
Net profit or loss:				
Profit		2350	152 397	117 653
Loss		2355	-	-

II. COMPREHENSIVE INCOME

Item	Line code	2022	2021
1	2	3	4
Non-current assets value increase (markdown)	2400	-	-
Financial instruments value increase (markdown)	2405	-	-
Accrued exchange differences	2410	-	-
Share of other total income of associated and joint ventures	2415	-	-
Other total income	2445	-	-
Other total income before tax	2450	-	-
Income tax related to other total income	2455	-	-
Other total income after tax	2460	-	-
Total income (sum of lines 2350, 2355 and 2460)	2465	152 397	117 653

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Financial statements as of December 31, 2022 and for the year ended

III. ELEMENTS OF OPERATING COSTS

Indicator	Line code	Reporting period	Similar period of previous year
1	2	3	4
Material costs	2500	-	-
Payroll expenses	2505	179	289
Social security costs	2510	33	67
Depreciation/amortization	2515	48 275	25 641
Other operating costs	2520	1 907 085	1 401 547
Total	2550	1 955 572	1 427 544

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Financial statements as of December 31, 2022 and for the year ended

**STATEMENT OF CASH FLOWS (DIRECT METHOD)
for the year 2022**

(thousands UAH)

Item	Note	Line Code	2022	2021
I. Cash flows from operating activities				
Inflow:				
Sales of products (goods, works, services)		3000	1 698 734	1 277 455
Refund of taxes and fees		3005	-	-
including value added tax		3006	-	-
Targeted funding	18	3010	-	96
Proceeds from subsidies, grants		3011	-	-
Advances from customers and clients		3015	20 044	198 479
Returned advances		3020	4 347	6 071
Interest income on current account balances		3025	373	562
Income from debtors forfeits (fines, penalties)		3035	262	-
Operating lease income		3040	-	1
Proceeds from receiving royalties, royalty remuneration		3045	-	-
Income from insurance bonuses		3050	-	-
Proceeds of financial institutions from loan repayment		3055	-	-
Other income	17	3095	9 783	1 652
Outflow:				
Payments for products (goods, works, services)		3100	(1 732 533)	(1 396 881)
Payments to employees		3105	(144)	(239)
Deductions for social funds		3110	(38)	(63)
Liabilities for taxes and obligatory payments:		3115	(21 840)	(18 683)
income tax paid		3116	(21 635)	(16 193)
VAT obligations		3117	(166)	(23)
liabilities of other taxes and obligatory payments		3118	(39)	(2 467)
Prepayments		3135	-	-
Return of advances		3140	-	-
Expenses for payment of target contribution		3145	-	-
Expenses for payment of liabilities under insurance contracts		3150	-	-
Expenses of financial institutions on loan granting		3155	-	-
Other expenses	17	3190	(1 552)	(3 676)
Net cash flows from operating activities		3195	(22 564)	64 774
II. Cash flows from investing activities				
Proceeds from sale of:				
financial investments		3200	-	-
non-current assets		3205	-	-
Income received from:				
interests		3215	-	-
dividends		3220	-	-
Proceeds from derivatives		3225	-	-
Proceeds from loan repayment		3230	11 702	1 850
Proceeds from disposal of a subsidiary and other business unit		3235	-	-
Other income		3250	-	-
Purchase Costs:				

SIGMA SOFTWARE LIMITED LIABILITY COMPANY**Financial statements as of December 31, 2022 and for the year ended**

Item	Note	Line Code	2022	2021
financial investments		3255	(14 950)	(88 546)
non-current assets		3260	-	-
Payments on derivatives		3270	-	-
Expenses on loan granting		3275	(11 234)	(1 581)
Expenditures on the acquisition of a subsidiary and other business unit		3280	-	-
Other payments		3290	-	-
Net cash flow from investing activities		3295	(14 482)	(88 277)
III. Cash flows from financing activities				
Proceeds from:				
Equity		3300	-	-
Loans received		3305	-	-
Proceeds from the sale of shares in a subsidiary		3310	-	-
Other income		3340	63 218	635 879
Expenses on:				
Redemption of own shares		3345	-	-
Repayment of loans		3350	-	-
Payment of dividends		3355	-	(23 733)
Interest expenses		3360	-	-
Expenses for payment of financial lease liabilities		3365	-	-
Expenses for the acquisition of a stake in a subsidiary		3370	-	-
Expenses for payments to uncontrolled shares in subsidiaries		3375	-	-
Other payments	17	3390	(63 000)	(542 198)
Net cash flows from financing activities		3395	218	69 948
Net change in cash and cash equivalents for the reporting year		3400	(36 828)	46 445
Cash and cash equivalents at the beginning of the year	10	3405	105 519	63 208
Effect of changes in exchange rates on the balance		3410	16 195	(4 134)
Cash and cash equivalents at the end of the year	10	3415	84 886	105 519

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Financial statements as of December 31, 2022 and for the year ended

STATEMENT OF CHANGES IN EQUITY

For the year 2022

(thousands UAH)

Item	Notes	Line Code	Share capital	Additional capital	Retained Earnings/ (losses)	Total
Balance on January 1, 2021		4000	1000	3 605	98 171	102 776
Adjustments:						
Corrections		4010	-	-	6 055	6 055
Adjusted balance at the beginning of the year		4095	1000	3 605	104 226	108 831
Net profit /(loss) for the reporting period		4100	-	-	117 653	117 653
Other comprehensive income for the reporting period		4110	-	-	-	-
Profit allocation:						
Payments to owners (dividends)	5	4200	-	-	(92 490)	(92 490)
Other changes in capital		4290	-	(2 937)	-	(2 937)
Total changes in the capital		4295	-	(2 937)	25 163	22 226
Balance on January 1, 2022		4000	1000	668	129 389	131 057
Adjustments:						
Corrections	19	4010	-	-	-	-
Adjusted balance at the beginning of the year		4095	1000	668	129 389	131 057
Net profit /(loss) for the reporting period		4100	-	-	152 397	152 397
Other comprehensive income for the reporting period		4110	-	-	-	-
Profit allocation:						
Payments to owners (dividends)	5	4200	-	-	-	-
Other changes in capital		4290	-	17 881	-	17 881
Total changes in the capital		4295	-	17 881	152 397	170 278
Balance on December 31, 2022		4300	-	18 549	281 786	301 335

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Notes to the Financial statements

as of December 31, 2022 and for the year ended

in compliance to the Ukrainian National Accounting Standards

1. COMPANY INFORMATION

SIGMA SOFTWARE LIMITED LIABILITY COMPANY (hereinafter - the Company or SIGMA SOFTWARE LLC) was founded by Bek Volodymyr, Krasovskyi Valerii, Zhuk Dmytro, Chyrva Volodymyr, Vartanian Dmytro, Sigma It Group Ab Company, Sigma Technology Group Ab Company.

Date of State Registration – **May 10, 2002**

Registration code (USREOU): **31935930**

Location of the Company: **Yarosha Otakara str, 18, Kharkiv, Kharkivskiy region, 61045, Ukraine**

The principal activity of the Company is Computer programming activities **(62.01)**

Activities of the Company according to Classifier of economic activities:

- **58.21** Publishing of computer games
- **58.29** Other software publishing
- **62.02** Computer consultancy activities
- **63.11** Data processing, hosting and related activities
- **73.20** Market research and public opinion polling
- and other.

As of December 31, 2022 the company has no separate business units.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

The financial statements of the Company have been prepared in accordance with the National Accounting Provisions (Standards) of Ukraine, approved by the Ministry of Finance of Ukraine.

2.1. Basis of financial statements preparation

These financial statements have been prepared in accordance with the principle of estimation at historical cost.

2.2. Functional and presentation currency

The financial statements are presented in the national currency of Ukraine - Hryvnia, and all amounts are approximated to the thousand (000), unless otherwise specified.

2.3. Assumptions about the future operation of the Company

The financial statements have been prepared basing on the assumption that the Company will continue as a going concern for the foreseeable future, which includes the divestiture of assets and the settlement of liabilities in the ordinary course of business operations.

The company operates in an unstable environment. The stabilization of the economic and political situation will hardly depend on the effectiveness of measures taken by the Government and the Verkhovna Rada of Ukraine for further economic stabilization. As a result, there is uncertainty that may affect future transactions, the ability to reimburse the value of the Company's assets and the Company's ability to service and pay its debts as they fall due.

These financial statements do not include any adjustments that may take place in an unstable environment due to the economic and political crisis in Ukraine. Such adjustments will be notified if they become known and evaluated.

3. OPERATING ENVIRONMENT

In 2022, socio-political and foreign political events continued to have a significant impact on Ukraine's economy. Part of Ukraine's territory (within the Autonomous Republic of Crimea) has not been recognized by the international community since it was annexed by the Russian Federation. Armed confrontations and hostilities with separatist groups supported by the Russian Federation also continued on parts of Ukraine's territory (within certain regions of Donetsk and Luhansk regions).

NOTE: This example of financial statements is a translation of original, prepared in Ukrainian language. Every effort has been made to ensure that the translation accurately reflects the original document. However, in all cases of interpretation of information, views or opinions, the original version of the report in Ukrainian takes precedence over the translated text.

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Notes to the Financial statements as of December 31, 2022 and for the year ended

On February 24, 2022, Russian troops began a full scale invasion of Ukraine from Crimea, Belarus, and previously occupied areas of eastern Ukraine. The President of Ukraine introduced martial law in Ukraine through his Order No. 64/2022 on the same day, which was approved by the Verkhovna Rada of Ukraine. According to the Decree of the President of Ukraine dated February 24, 2022 No. 69/2022, a general mobilization of conscripts and reservists was announced in Ukraine.

The Russian-Ukrainian war and armed aggression of the Russian Federation have adverse effects on Ukraine's economy and financial sector, the magnitude of which continues to increase. The nine most affected regions account for 30% of national GDP, and many enterprises in these territories had to suspend their operations. Disrupted transport and logistics connections between regions and significant damage to infrastructure resulted in thousands of Ukrainian citizens' deaths and millions becoming refugees. Skill shortages have been observed, which also affects workforce redistribution. All these will have long-term economic consequences for Ukraine and the banking sector. According to international analytical centers and officials from the Ukrainian government, the estimated decrease in GDP by the end of 2022 is 30.4%, and inflation, according to the NBU's estimates, exceeds 26.6% at the end of the year.

A more accurate assessment of the impact of military actions on the economy is complicated by the fact that, during the period of martial law and for three months after its end, the state statistics authorities of Ukraine suspended the publication of statistical information, with the exception of the consumer price index.

The foreign exchange market in Ukraine operates under significant restrictions that were introduced during martial law. At the beginning of the war, the hryvnia exchange rate was fixed for the second time on July 21, 2022, at the level of 36.5686 UAH/USD, which is a lower exchange rate compared to the cash dollar.

It is still challenging to accurately assess the overall scale of the crisis phenomena caused by active military operations on the territory of Ukraine. However, even under an optimistic scenario, losses for the economic sector are significant.

However, in 2023, the Company plans to continue its operations within the bounds of available resources and while considering new external factors.

The Company's management conducts continuous operational monitoring of its activities and promptly responds to changes in the situation. Additionally, while evaluating potential scenarios, the Company deems any anticipated losses acceptable from the viewpoint of the available capital and the necessity of maintaining it at a sufficient level to ensure continuous business operations.

However, in the future, the impact of the aforementioned events will largely depend on the duration and global reach of the war's influence on the Ukrainian and world economies. The greatest effect on the Company's operations may be the uncertainty caused by future events beyond the Company's control that may impact its financial reports.

The management takes all the irrelevant measures it believes will adequately support the stability and growth of the business within current circumstances.

The financial statements reflect the management's evaluation of the potential impact of the economic situation in Ukraine on the Company's operations and financial position. However, future changes in the country's economic situation may differ considerably from the management's assessment.

4. SIGNIFICANT PROVISIONS OF ACCOUNTING POLICIES

The following are significant accounting policies used by the Company in preparing its financial statements:

4.1. Continuous application of accounting policies

The company ensures the permanence of the accounting policy, which should be followed in the process of measuring, evaluating, and registering business transactions on the basis of National Accounting Provisions (Standards), the approved chart of accounts of the Company, and standard accounting entries.

4.2. Basis of presentation

The basic principles formed in UAS 1 and the Tax Code of Ukraine should be followed, when conducting accounting. The Company's accounting system is general-ledger accounting system with complete automation.

4.3. Materiality

The following quantitative criteria were identified for the materiality of information about business transactions and events:

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

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Materiality description	Percentage (in % of the basis)	The basis for determining the materiality of information quantitative criterion
1. Business transactions and events related to changes in the composition of assets, liabilities, and equity of the company	0,5 %	Total assets value
2. Business transactions and events related to income and expenses	0,2 %	Total income amount of company
3. Cost deviations in revaluation or impairment of non-current assets	10 %	Fair value of the asset
4. Determining the similarity of assets	10 %	Fair value of the exchange objects
5. Definition of the reporting segment while disclosing information about segments	10 %	Net income from sales of products (goods, works, services)
6. Other business transactions and events	0,1%	Total assets value

The following quantitative criteria were identified for the materiality of the financial reporting item:

Materiality description	Percentage (in % of the basis)	The basis for determining the materiality of information quantitative criterion
1. For Balance Sheet items	3 %	Balance Sheet total amount
2. For items of Statement of Financial position	3 %	Net income from sales of products (goods, works, services)
3. For items of Statement of Cash Flows	3 %	Amount of net cash flow from operating activities
4. For items of Statement of Changes in Equity	3 %	Amount of equity of the company

4.4. Fixed assets

Fixed assets are tangible assets that the Company holds for the purpose of using them in the process of providing services, leasing or for administrative and socio-cultural functions, the expected useful life (of operation) of which is more than one year, (or operating cycle, if it is longer than a year), and the value of which exceeds the amount specified in paragraph 14.1.138 of Art. 14 of the Tax Code of Ukraine.

The cost of an individual item of fixed assets consists of its purchase price, including import duties and unreimbursed taxes on the purchase, and costs that are directly attributable to preparing the item of fixed assets for its intended use.

The straight-line method of depreciation is used for calculating the depreciation of fixed assets.

The liquidation value of fixed assets is set at «0».

Fixed assets that have reached the end of their useful life continue to be used until they no longer meet the criteria for recognition of the asset, and the physical and moral condition does not allow them to be used for their intended purpose.

The useful life of such fixed assets may be revised by decision of the inventory commission.

Depreciation is calculated with respect to the minimum allowable useful lives of fixed assets, set forth in the law.

The useful life terms of fixed assets

Fixed assets	Minimum allowable useful life, years
Buildings	20
Renovations for buildings	15
Transmitting devices	10
Machines and equipment	5
Including:	
computers, other machines for the automatic processing of information, related means for reading or printing information, related computer programs (other than programs the cost of which is recognized as royalties, and / or programs which are recognized as the intangible assets), other information systems, switches, routers, modules, modems, uninterruptible power supplies and means of its connection to telecommunication networks, telephones (including mobile phones), microphones and portable radio sets, the cost of which exceeds UAH 2,500	2
Vehicles	5

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

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Fixed assets	Minimum allowable useful life, years
Tools, appliances, equipment, furniture	4
Other fixed assets	12

Low-value non-current tangible assets include assets other than fixed assets (based on the classification given in paragraph 5 of National Accounting Provisions (Standards) 7 "Fixed assets"), the value of which is equal to an amount not exceeding the amount specified in paragraph. 14.1.138 art. 14 of the Tax Code of Ukraine.

Depreciation on low-value non-current tangible assets must be accrued in the first month of use of the object in the amount of 100 percent of its value.

The decision on the renovation type (maintenance or overhaul maintenance) is made by the Chief Executive Officer, taking into account the results of the analysis of the current situation and the materiality of such costs (paragraphs 29-32 of the Guidelines for Accounting of Fixed Assets, approved by the Ministry of Finance from 30.09.2003. № 561).

If improvements were made to the leased property, in accordance with paragraph 8 of National Accounting Provisions (Standards) 14 such costs are reflected by the Company as capital investment in the creation (construction) of non-current tangible assets. In the future, the cost of repairs is recorded and amortized on a straight-line basis over the useful life specified in Art. 3.1.5 of the Accounting Policy for buildings.

4.5. Intangible assets

The cost of acquiring an intangible asset consists of the cost of its acquisition, including import duties and unrecovered acquisition taxes, and costs that are directly attributable to preparing the asset for its intended use.

The costs of acquisition, development, maintenance, improvement of intangible assets for the purpose of recognition and measurement of intangible assets are reflected in the following groups:

- group 1 – rights to use natural resources;
- group 2 – property use rights;
- group 3 – rights to commercial designations;
- group 4 – industrial property rights;
- group 5 – copyright and related rights;
- group 6 – other intangible assets.

Patents and licenses acquired for more than one year are recognized in the financial statements as intangible assets.

The costs of the company related to scientific and technical support of economic activity are deducted to the costs of the current period as they are performed.

The liquidation value of intangible assets equals to zero.

The amortization of intangible assets is carried out by the company using the straight-line method over their useful lives.

The useful life is set in accordance with the documents of entitlement, except for:

Intangible assets	Minimum allowable useful life, years
group 4 – industrial property rights	According to the documents of entitlement, but not less than 5 years
group 5 – copyright and related rights	According to the documents of entitlement, but not less than 2 years

If the right of use of an intangible asset is not established by the documents of entitlement, such useful life is determined by the Company itself, but must not be less than 2 years and more than 10 years.

4.6. Impairment (restoration) of usefulness of assets

Impairment is the loss of economic benefits in excess of the asset's residual value over its estimated recoverable amount.

The Company assesses whether there is any indication of impairment at each annual balance date (December 31 of the reporting year).

The impairment in the usefulness of assets may be indicated by, in particular:

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

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- a decrease in the market value of the asset during the reporting period by significantly more than expected;
- obsolescence or physical damage of the asset;
- significant adverse changes in the technological, market, economic or legal environment in which the company operates, which will occur during the reporting period or are expected in the near future;
- an increase in market interest rates or other market rates of return on investment during the reporting period, which may affect the discount rate and significantly reduce the expected return on the asset;
- exceeding the book value of net assets of the company over their market value;
- significant changes in the use of the asset during the reporting period or such expected changes in the next period that have an adverse effect on the activities of the company;
- other evidence that the asset's effectiveness is or will be worse than expected.

Deviation of the residual value of the object from the amount of expected compensation, more than provided by paragraph 4.2. of the Accounting Policy is the basis for the procedure of changing the usefulness of such object.

The amount of the expected compensation is the greater of the two values (paragraph 4 of National Accounting Provisions (Standards) 28):

- the net realizable value of the asset;
- the present value of future net cash flows from the asset.

Net realizable value is the fair value of the asset less its expected distribution costs (paragraph 4 of National Accounting Provisions (Standards) 28). It is based on the active market prices less costs that can be directly associated to the sale of the asset (excluding financial costs and income tax costs).

If information on active market prices is not available, the net realizable value of the asset is based on available information about the amount that the Company may receive for the asset at the date of the annual reporting in transactions with informed, interested and independent parties less distribution costs (paragraph 10 of National Accounting Provisions (Standards) 28).

The present value of future net cash flows is determined by applying the appropriate discount rate to future cash flows from the continuing use of the asset and its sale (write-off) after the useful life (operation) (paragraph 11 of National Accounting Provisions (Standards) 28). Future cash flows from the asset are determined based on the Company's financial plans for a period not exceeding 5 years.

The following signs testify the restoration of the asset's usefulness (paragraph 17 of National Accounting Provisions (Standards) 28):

- a significant increase in the market value of the asset in the reporting period;
- significant positive changes in the technological, market, economic or legal environment in which the company operates, which occurred during the reporting period;
- a decrease in market interest rates or other market rates of return on investment during the reporting period, which may affect the discount rate and significantly increase the amount of the expected return on the asset;
- significant changes in the asset and / or the manner of its use during the reporting period or such expected changes in the next period that will positively affect the activities of the company;
- other evidence that the asset's effectiveness is or will be better than expected.

The carrying amount (residual) value of an asset, increased as a result of its restoration of useful life, shall not exceed the book (residual) value of this asset, determined on the date of usefulness restoration without taking into account the previous amount of impairment losses (paragraph 18 of National Accounting Provisions (Standards) 28).

4.7. Inventories

Estimation of inventory disposal is carried out by the FIFO method.

Analytical accounting of the inventory movement should be organized in quantitative and sum terms.

The cost of low-value and rapidly amortized items that are put into operation is written off from the balance with the subsequent organization of operational quantitative accounting of such items at the places of operation by responsible persons during the period of their actual use.

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Notes to the Financial statements as of December 31, 2022 and for the year ended

4.8. Accounts receivables

A receivable is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the company and the amount of the item can be measured reliably.

Accounts receivable are recognized in the financial statements at net realizable value, equal to the amount of receivables less the allowance for doubtful debts.

The amount of the allowance for doubtful debts is determined once a year by the absolute value of doubtful debts. According to the method of applying the absolute value of doubtful debts, the amount of the allowance is determined on the basis of the analysis of the solvency of individual debtors.

If the amount of the accrued allowance is insufficient to cover the write off for bad receivables, such excess of debt over the allowance is attributed as the costs of the reporting period.

The long-term receivables that is due to be repaid within 12 months from the balance sheet date, shall be reflected on the same date as a part of current receivables.

Long-term receivables are recognized in the balance sheet at their present value.

The discount rate is determined in the amount of the average monthly rate on long-term deposits for legal entities in Ukraine, according to the statistics of the National Bank of Ukraine, for the month preceding the recognition of receivables.

4.9. Liabilities and Provisions

A liability is recognized only when the asset is received or when the Company has an enforceable agreement to acquire the asset, provided that its valuation can be measured reliably and there is a possibility of a reduction in economic benefits in the future due to its repayment.

If a previously recognized liability is not repayable at the balance sheet date, its amount should be included as income in the reporting period.

Long-term liabilities are reflected in the balance sheet at their present values.

The discount rate is determined in the amount of the average monthly rate on long-term loans for legal entities in Ukraine, according to statistics of the National Bank of Ukraine, for the month preceding to the recognition of the liability.

Liabilities that were originally classified as long-term, but maturity at the balance sheet date is less than 12 months should be reclassified to current liabilities.

Current liabilities are reflected in the balance sheet at cost of repayment.

The provision for reimbursement of expenses for the payment of annual leave to employees is accrued monthly according to the actual salary accrued to employees and the coefficient calculated as the ratio of the annual planned amount for leave to the total annual planned payroll fund. The calculation of this provision includes the amounts of accruals of social tax.

Based on the results of the annual inventory of the collateral reserve to reimburse the expenses for the payment of vacations to employees, the collateral reserve is recalculated to reimburse the expenses for the payment of vacations to employees at the end of the reporting year.

4.10. Payroll expenses

The remuneration of the employees of the company is carried out in accordance with the Regulations on the remuneration of employees, the Company's approved staffing tables, the established tariff rates, using time-board accounting data.

Payments of premium (bonuses) to employees are made in accordance with the Regulations on the Remuneration of Employees.

Temporary incapacity benefits at the expense of the Company are included in other operating expenses.

4.11. Revenue

Revenue is recognized and measured in accordance with the requirements of National Accounting Provisions (Standards) 15 «Revenue».

Deferred income includes the amount of income accrued during the current period, which will be determined in subsequent reporting periods.

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Notes to the Financial statements as of December 31, 2022 and for the year ended

4.12. Expenses

In accordance with the National Accounting Provisions (Standards) 16 «Expenses» are recognized in the balance sheet simultaneously as the decrease in assets or increase in liabilities, and in the Statement of Financial Position - simultaneously with the income for which they were incurred.

The cost of services includes: direct material costs; direct labor costs; other direct costs; variable overhead and fixed allocated overhead costs.

Operating expenses that are not included in the cost of services (administrative costs, distribution costs, etc.), are classified according to the National Accounting Provisions (Standards) 16 «Expenses». These costs are considered as expenses of the period.

Deferred expenses include expenses that are incurred in the reporting period, but are to be included in expenses in future reporting periods.

4.13. Financial investments

Financial investments are assets held by the Company for the purpose of increasing profits (interest, dividends, etc.), increasing the capital or gaining other benefits for the Company.

At the time of acquisition, the financial investment is measured at the actual cost.

The actual cost consists of:

- purchase value of shares;
- the cost of agency fees paid;
- remuneration to specialized enterprises, other enterprises and individuals for information and consulting services related to the purchase of shares;
- other costs directly related to the purchase of shares.

Recognition of the financial investments at the balance date:

Type of investment	Investment recognition
1. Investments in associates, subsidiaries and joint ventures	According to the method of equity participation
2. Investments in associates, subsidiaries and joint ventures, in the case if <ul style="list-style-type: none">• investments are acquired and held for sale for 12 months from the date of acquisition;• enterprises operate in conditions that limit the ability to transfer funds to the Company for 12 months	Fair value
3. Investments held to maturity	Amortized net cost
4. Other investments: The fair value of which can be determined The fair value of which cannot be reliably determined	Fair value Cost - a decrease in utility

Financial investments accounted using the equity method are recognized at the balance date at cost, which is determined by changes in the total equity of the investment, other than those resulting from transactions between the investor and the investment entity (paragraph 12 of the National Accounting Provisions (Standards)).

4.14. Correction of errors and changes in financial statements

According to the National Accounting Provisions (Standards) 6 "Correction of errors and changes in financial statements" adjustment of misstatements/errors made in the preparation of financial statements referring to the previous periods -- is carried out by adjusting the balance of retained earnings at the beginning of the reporting year. The correction of errors relating to prior periods involves the restatement of relevant comparative information in the financial statements.

4.15. Disclosure of information in terms of reporting segments

Information on business segments for its disclosure is prepared in accordance with the National Accounting Provisions (Standards) 29 "Financial reporting by segments" in terms of economic segment "Type of activity", which is prioritized by importance.

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Notes to the Financial statements as of December 31, 2022 and for the year ended

5. RELATED PARTY TRANSACTIONS

Parties are considered to be related if they are under joint control or if one of them may exercise significant influence over the other party or have joint control over making financial or operational decisions. In considering each case of a partnership that may be a related party partnership, attention is directed to the substance of the partnership, and not merely the legal form.

As of December 31, 2022, the balances of related party transactions were as follows:

<i>In thousands of UAH</i>	Associated	Companies under joint control	The key management personnel
Accounts receivable for goods, works, services	4 089	69 530	-
Other accounts receivable	332 116	-	-
Current accounts payable for goods, works, services	1 030	-	-
Current accounts payable on received advances	-	217 641	-
Current accounts payable on settlements with shareholders	-	61 294	2 223
Other current liabilities	-	364	-

As of December 31, 2021, the balances of related party transactions were as follows:

<i>In thousands of UAH</i>	Associated	Companies under joint control	The key management personnel
Accounts receivable for goods, works, services	58 697	2 174	-
Current accounts payable on received advances	-	209 568	-
Current accounts payable on settlements with participants	-	61 294	2 223
Other current liabilities	-	302	-

The following are the items of income and expenses for related party transactions for 2022:

<i>In thousands of UAH</i>	Associated	Companies under joint control	The key management personnel
Net income from sales of products (goods, works, services)	119 969	369 280	-

The following are the items of income and expenses for related party transactions for 2021:

<i>In thousands of UAH</i>	Associated	Companies under joint control	The key management personnel
Net income from sales of products (goods, works, services)	303 363	420 567	-

Remuneration of key management personnel in 2022 amounted to UAH 91,000.

In 2021, the remuneration comparative information amounted to UAH 90,000.

As of December 31, the owners of LLC "SIGMA SOFTWARE" with corresponding share distribution were as below:

% of ownership	Owner	December 31, 2022	December 31, 2021
12,69%	BEK VOLODYMYR OLEKSANDROVYCH	126 900	126 900
7,17%	KRASOVSKYI VALERII VITALIOVYCH	71 720	71 720
6,48%	ZHUK DMYTRO OLEKSIIIOVYCH	64 830	64 830
6,48%	CHYRVA VOLODYMYR OLEKSANDROVYCH	64 830	64 830
7,17%	VARTANIAN DMYTRO VASYLOVYCH	71 720	71 720
30,00%	SIGMA IT GROUP AB COMPANY	300 000	300 000
30,00%	NYA SIGMA AB COMPANY	300 000	300 000

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Notes to the Financial statements as of December 31, 2022 and for the year ended

6. FINANCIAL INVESTMENTS

The following are the long-term financial investments of LLC "SIGMA SOFTWARE" as of December 31, 2022:

Title	Residence	Equity Share	Accounting method
Sigma Software Inc., USA	USA	100%	By the method of equity participation
Sigma Software, Poland	Poland	100%	By the method of equity participation
Sigma Sweden Software AB, Sweden	Sweden	100%	By the method of equity participation
Sigma Software Labs LLC, Ukraine	Ukraine	100%	By the method of equity participation
Sigma Park LLC, Ukraine	Ukraine	100%	By the method of equity participation
TNT Plus LLC, Ukraine	Ukraine	100%	By the method of equity participation
Sigma Software DS LLC, Ukraine	Ukraine	100%	By the method of equity participation
Ideasoft Solution LLC, Ukraine	Ukraine	51%	By the method of equity participation
Ideasoft LLC, Ukraine	Ukraine	51%	By the method of equity participation

Financial investments accounted using the equity method, and are recognized at the balance date at value, which is determined by changes in the total equity of the investment entity (paragraph 12 of the National Accounting Provisions (Standards)).

FINANCIAL INVESTMENTS

<i>In Thousands of UAH</i>	31 December 2021	For 2021	31 December 2022
Investments in associated companies by the equity method	229 187	91 411	320 598
Other financial investments in shares of other companies	1 606	13	1 619
Current Financial Investments			
Total	230 793	91 424	322 217

The following are the other long-term financial investments of LLC "SIGMA SOFTWARE" as of December 31, 2022:

Title	Residence	Number of shares	Price per share
Lunar Light, Inc	USA	1 000 000	0,06 USD
Mikz Licensing AB	Kingdom of Sweden	13	100 SEK
Mikz Licensing AB	Kingdom of Sweden	41	100 SEK

7. INTANGIBLE ASSETS

Item	<i>In Thousands of UAH</i>		
	Rights to commercial designations	Copyright	Total
Historical cost			
As of 31 December 2021	7	19 494	19 501
Acquisitions and transfers from capital investments	-	16 721	16 721
Disposals	-	-	-
Other changes	-	-	-
As of 31 December 2022	7	36 215	36 222
Accumulated depreciation			
As of 31 December 2021	-	(12 959)	(12 959)
Depreciation charge	(1)	(14 292)	(14 293)
Disposals	-	-	-
As of 31 December 2022	(1)	(27 881)	(27 882)
NBV as at 31 December 2022	6	8 334	8 340

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Notes to the Financial statements as of December 31, 2022 and for the year ended

8. FIXED ASSETS*In Thousands of UAH*

Item	Buildings and constructions	Machinery and equipment	Tools, devices, inventory (furniture)	Low-value non-current tangible assets	Total
Historical cost					
As of 31 December 2021	69 383	84 711	9 751	24 946	188 791
Acquisitions and transfers from capital investments	1 276	26 255	-	2 541	30 072
Disposals	-	(177)	-	(113)	(290)
Other changes					
As of 31 December 2022	70 659	110 789	9 751	27 374	218 573
Depreciation					
Accrued depreciation	(3 713)	(25 536)	(1 563)	(2 541)	(33 353)
Disposals		(177)		(113)	(290)
Accumulated depreciation	(7 508)	(56 433)	(7 863)	(24 946)	(96 750)
As of 31 December 2021					
As of 31 December 2022	(11 221)	(81 792)	(9 426)	(27 374)	(129 813)
NBV as at 31 December 2022	59 438	28 997	325	-	88 760

9. CAPITAL INVESTMENTS*In Thousands of UAH*

Item	For 2022	As of 31 December 2022
Purchase of fixed assets	27 531	1
Purchase of other non-current tangible assets	2 540	2
Acquisition of intangible assets	16 722	21
Total	46 793	24

10. CASH AND ITS EQUIVALENTS*In Thousands of UAH*

Item	As of 31 December 2022	As of 31 December 2021
Cash in bank accounts	84 886	105 519
Total	84 886	105 519

11. ACCOUNTS RECEIVABLE

The company has no long-term receivables.

In Thousands of UAH

Item	As of 31 December 2022	As of 31 December 2021
Trade accounts receivables	97 017	93 648

Item 1155 "Other current receivables" of the Statement of Financial Position is reflected:

In Thousands of UAH

Detailed breakdown	31.12.2022	31.12.2021
Assignment of reimbursable financial assistance	-	368
Contribution to short-term joint activities	-	35
Charged by court decision	-	248
Social insurance	2	2
Debt under agency contract	332 116	-
Other debt	41	-

In 2022, the allowance for doubtful debts was not accrued.

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

Notes to the Financial statements as of December 31, 2022 and for the year ended

12. LIABILITIES

In the reporting period, the Company has no long-term liabilities, except for targeted financing in joint activities. (Note 18).

Current liabilities relating to advances received are represented as follows:

	<i>In Thousands of UAH</i>	
Detailed breakdown	31.12.2022	31.12.2021
Current accounts payable on received advances with companies under joint control	217 641	209 568
Current accounts payable on received advances with other companies	5	48

Item 1690 "Other current liabilities" of the Statement of Financial Position is reflected:

	<i>In Thousands of UAH</i>	
Detailed breakdown	31.12.2022	31.12.2021
Joint activity liabilities	-	35
Settlements with other foreign creditors	100	329
Settlements with other national creditors	400	18

13. ALLOWANCES

The company does not accrue an allowance for vacation payments.

14. NET REVENUES

The company does not record segments of revenues as its main activity represents its main segment – software services and is recorded in the financial statements as below:

	<i>In Thousands of UAH</i>	
Item	2022	2021
Revenues from software services	1 987 053	1 513 689
Cost of sales	(1 825 625)	(1 400 849)
Net Margin	161 428	212 840

15. OTHER INCOME AND EXPENSES

	<i>In Thousands of UAH</i>	
Item	Revenue	Expenses
Buying and selling foreign currency	7 759	-
Income/Expenses from the operational exchange rate difference	74 888	-
Charity	-	(5 812)
Participation in associations	-	(3 221)
Others	1 403	(147)

16. INCOME TAX

	<i>In Thousands of UAH</i>	
Item	As of 31 December 2022	As of 31 December 2021
Current income tax	21 898	17 630

17. OTHER INCOME AND EXPENSES OF CASH ASSETS IN THE STATEMENT OF CASH FLOWS

Item 3095 "Other income" of the Statement of Cash Flows is presented by:

SIGMA SOFTWARE LIMITED LIABILITY COMPANY**Notes to the Financial statements as of December 31, 2022 and for the year ended***In Thousands of UAH*

Detailed breakdown	2021	2022
Reimbursement of court costs	-	492
Income from the sale of currency	993	9 291
Customers payments	653	-

Item 3190 "Other expenses" of the Statement of Cash Flows is presented by:

In Thousands of UAH

Detailed breakdown	2021	2022
Assignment of reimbursable financial assistance	-	-
Legal costs	-	-
Contribution to the joint activities	-	-
Transactions with counterparties	13	-
Costs of selling currency	3 012	1 532
Advance refund	651	-

Item 3390 " Other payments " of the Statement of Cash Flows is presented by:

In Thousands of UAH

Detailed breakdown	2021	2022
Deposit with the bank	542 198	63 000
Other expenses	-	-

18. FINANCIAL RESULTS OF THE JOINT VENTURE ACTIVITY

The company entered into a joint venture agreement dated November 15, 2020.

The results of joint activities as of December 31, 2021 are reflected in the financial statements of the Company in the following items, in the amounts in accordance with the Company's contribution (14,29%):

ASSETS*In Thousands of UAH*

Item	31.12.2021	31.12.2022
Current accounts receivable on received advances	-	-
Cash and cash equivalents	61	-
Deferred expenses	-	-
TOTAL ASSETS	61	-

LIABILITIES*In Thousands of UAH*

Item	31.12.2021	31.12.2022
Retained profit (uncovered loss)	(1)	-
Target funding	10	-
Current payables relating to: trade payables	13	-
Current payables relating to: payments to the budget	4	-
Other current liabilities	35	-
TOTAL LIABILITIES	61	-

19. EVENTS AFTER THE REPORTING DATE

On February 24, 2022, Russia launched a military invasion of Ukraine.

In connection with the military aggression of the Russian Federation against Ukraine, the Decree of the President of Ukraine of February 24, 2022 № 64/2022 "On the imposition of martial law in Ukraine", approved by the Law of Ukraine of 24.02.2022 № 2102-IX, martial law was imposed in Ukraine.

SIGMA SOFTWARE LIMITED LIABILITY COMPANY

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Today in some cities of Ukraine in the south and east there is an active military conflict.

As of the date of approval of this report, active military operations are being carried out in the eastern and southern regions of the country, as well as missile strikes are being carried out throughout the country, in particular on energy infrastructure facilities, as a result of which restrictions are being imposed on the consumption of electricity for industrial enterprises and households throughout the country the country

The Company continues to operate, and hostilities occurring after the balance sheet date cause material uncertainty for the Company going forward, including the risk of property loss due to hostilities, air attacks and missile strikes, as well as customer and staff shortages caused by population immigration and restrictions martial law in Ukraine. The full extent of the possible impact of the further development of military operations on the Company's business is unknown, but its scope may be serious. Considering the above, the Company's management believes that the use of the going concern assumption for the preparation of these financial statements is appropriate.

As of the date of approval of the financial statements, there are no adjusting events after the balance sheet date that had an impact on the result of 2022. According to management, the events described above are non-adjusting.

20. OTHER INFORMATION

The financial statements of the Company as of December 31, 2022 and for the year ended, are approved for publication on June 12, 2023.

This summary of significant accounting policies and disclosures is an integral part of the Company's financial statements as of December 31, 2022.