LLC IC FREEDOM FINANCE

Standalone Financial Statements and
Independent Auditor's Report
For the years ended March 31, 2022 and 2021

LLC IC FREEDOM FINANCE
TABLE OF CONTENTS

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

Shareholders and Board of Directors
LLC IC Freedom Finance
Moscow, Russia

Qualified Opinion

We have audited the accompanying financial statements of LLC IC Freedom Finance, which comprise the standalone balance sheets as of March 31, 2022 and 2021, and the related standalone statements of operations and statements of other comprehensive (loss)/income, changes in equity, and cash flows for the years then ended, and the related notes to the standalone financial statements.

In our opinion, except for the effects of not consolidating all subsidiaries, as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of LLC IC Freedom Finance as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As discussed in Note 3 to the financial statements, the Company reports its investments in Freedom Finance JSC and FFIN Bank, majority-owned subsidiaries, on the cost method of accounting. In our opinion, accounting principles generally accepted in the United States of America require that all majority-owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of JSC Freedom Finance and FFIN Bank, had been consolidated with those of LLC IC Freedom Finance, as of March 31, 2022 and 2021 total assets would be increased by approximately $1,137,764,000 and $762,762,000, respectively, total liabilities would be increased by approximately $1,027,750,000 and $694,729,000, respectively; revenues would be increased by approximately $137,198,000 and $71,628,000, respectively, and expenses would be increased by approximately $111,225,000 and $40,154,000, respectively, for the years then ended.

We conducted our audits in accordance with auding standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

www.WSRP.com
SALT LAKE CITY, UT | 155 NORTH 400 WEST STE 400, SLC, UT 84103 | PHN 801.328.2011 FAX 801.328.2015
LEHI, UT | 2989 WEST MAPLE LOOP DRIVE STE 210, LEHI, UT 84043 | PHN 801.328.2011 FAX 801.766.1551
OGDEN, UT | 4605 SOUTH HARRISON BLVD STE 201, OGDEN, UT 84403 | PHN 801.328.2011 FAX 801.689.2303
info@wsrp.com

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

WSRP, LLC

Salt Lake City, Utah
August 31, 2022

LLC IC FREEDOM FINANCE

STANDALONE BALANCE SHEETS
(All amounts in thousands of United States dollars, unless otherwise stated)

	March 31, 2022	March 31, 2021
ASSETS		
Cash and cash equivalents	$ 357,048	$ 455,574
Restricted cash	28,231	25,457
Trading securities	87,062	104,838
Investment in subsidiaries	119,167	63,515
Brokerage and other receivables, net	212,658	15,532
Loans issued	2,474	4,132
Fixed assets, net	2,462	1,808
Intangible assets, net	1,157	1,589
Right-of-use assets	4,396	4,065
Deferred tax assets	9,984	—
Other assets, net	4,142	1,107
TOTAL ASSETS	**$ 828,781**	**$ 677,617**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Customer liabilities	$ 604,669	$ 469,637
Securities repurchase agreement obligations	32,469	51,997
Trade payables	206	602
Current income tax liability	—	644
Securities sold, not yet purchased - at fair value	238	23
Debt securities issued	64,637	37,095
Lease liability	4,059	3,939
Deferred income tax liabilities	—	457
Other liabilities	2,161	1,381
TOTAL LIABILITIES	**708,439**	**565,775**
EQUITY		
Charter capital	159,339	86,395
Additional paid in capital	38,233	16,633
(Accumulated deficit)/Retained earnings	(43,106)	29,874
Accumulated other comprehensive loss	(34,124)	(21,060)
TOTAL EQUITY	**120,342**	**111,842**
TOTAL LIABILITIES AND EQUITY	**$ 828,781**	**$ 677,617**

The accompanying notes are an integral part of these standalone financial statements.

On behalf of the Company

Pochekuev V. A.
Chief Executive Officer

Morozova N. A.
Chief Accountant

LLC IC FREEDOM FINANCE

STANDALONE STATEMENTS OF OPERATIONS AND STATEMENTS OF OTHER COMPREHENSIVE (LOSS)/INCOME
(All amounts in thousands of United States dollars, unless otherwise stated)

	Years ended March 31, 2022	Years ended March 31, 2021
Revenue:		
Fee and commission income	$ 69,068	$ 39,425
Net (loss)/gain on trading securities	(53,134)	20,381
Interest income	13,045	9,942
Net (loss)/gain on foreign exchange operations	(41,510)	1,583
Net loss on derivatives	(19)	(58)
TOTAL REVENUE, NET	**(12,550)**	**71,273**
Expense:		
Fee and commission expense	21,450	12,706
Interest expense	9,252	7,074
Operating expense	40,625	23,843
Provision for impairment losses	446	—
Other expense, net	89	11
TOTAL EXPENSE	**71,862**	**43,634**
NET (LOSS)/INCOME BEFORE INCOME TAX	(84,412)	27,639
Income tax benefit/(expense)	11,433	(5,369)
NET (LOSS)/INCOME	**$ (72,979)**	**$ 22,270**
OTHER COMPREHENSIVE (LOSS)/INCOME		
Foreign currency translation adjustments, net of tax effect	(13,065)	719
COMPREHENSIVE (LOSS)/INCOME	**(86,044)**	**22,989**

The accompanying notes are an integral part of these standalone financial statements.

On behalf of the Company

Pochekuev V. A.
Chief Executive Officer

Morozova N. A.
Chief Accountant

LLC IC FREEDOM FINANCE

STANDALONE STATEMENTS OF CHANGES IN EQUITY
(All amounts in thousands of United States dollars, unless otherwise stated)

	Charter Capital	Additional Paid In Capital	Retained Earnings/ (Accumulated deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance at March 31, 2020	66,225	13,519	7,604	(21,779)	65,569
Issuance of charter capital	20,000	—	—	—	20,000
Merger of Zerich Capital Management from Freedom Holding Corp.	170	3,114	—	—	3,284
Foreign currency translation gain	—	—	—	719	719
Net income	—	—	22,270	—	22,270
Balance at March 31, 2021	86,395	$ 16,633	$ 29,874	$ (21,060)	$ 111,842
Issuance of charter capital	72,944	—	—	—	72,944
Capital contributions by related party	—	21,600	—	—	21,600
Foreign currency translation loss	—	—	—	(13,065)	(13,065)
Net loss	—	—	(72,979)	—	(72,979)
Balance at March 31, 2022	159,339	$ 38,233	$ (43,106)	$ (34,124)	$ 120,342

The accompanying notes are an integral part of these standalone financial statements.

On behalf of the Company

Pochekuev V.A.
Chief Executive Officer

Morozova N.A.
Chief Accountant

LLC IC FREEDOM FINANCE

STANDALONE STATEMENTS OF CASH FLOWS
(All amounts in thousands of United States dollars, unless otherwise stated)

	For the years ended	
	March 31, 2022	**March 31, 2021**
Cash Flows (Used in)/From Operating Activities		
Net (loss)/income	$ (72,979)	$ 22,270
Adjustments to reconcile net (loss)/income (used in)/from operating activities:		
Depreciation and amortization	1,509	1,373
Noncash lease expense	2,590	2,147
Change in deferred taxes	(11,420)	—
Unrealized gain/(loss) on trading securitties	29,638	(588)
Net change in accrued interest	465	(1,921)
Allowances for receivables	446	—
Changes in operating assets and liabilities:		
Lease liability	(2,835)	(2,199)
Trading securities	(21,737)	(83,391)
Brokerage and other receivables	(218,688)	28,498
Current income tax assets	—	658
Loans issued	1,306	(1,214)
Other assets	(3,453)	1,205
Customer liabilities	199,763	371,046
Current income tax liability	(637)	—
Trade payables	(370)	474
Securities sold, not yet purchased - at fair value	239	23
Deferred income tax liabilities	—	1,101
Other liabilities	1,010	(696)
Net cash flows (used in)/ from operating activities	**$ (95,153)**	**$ 338,786**
Cash Flows Used in Investing Activities		
Purchase of fixed assets	(2,125)	(929)
Proceeds from sale of fixed assets	—	76
Change in investments in subsidiaries	(68,090)	(25,791)
Cash, cash equivalents and restricted cash received from merge of Zerich	—	14,411
Net cash flows used in investing activities	**$ (70,215)**	**$ (12,233)**
Cash Flows From Financing Activities		
Capital contributions by related party	21,600	—
Proceeds from securities repurchase agreement obligations	(15,806)	53,053
Proceeds from issuance of debt securities	34,000	—
Repurchase of debt securities	(6,532)	—
Issuance of charter capital	72,944	20,000
Net cash flows from financing activities	**$ 106,206**	**$ 73,053**
Effect of changes in foreign exchange rates on cash and cash equivalents	(36,590)	(3,935)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**(95,752)**	**403,541**
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF	**481,031**	**77,490**
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	**385,279**	**481,031**

		For the years ended		
		March 31, 2022		March 31, 2021
Supplemental disclosure of cash flow information:				
Cash paid for interest	$	(7,583)	$	(6,848)
Income taxes paid	$	(3,525)	$	(3,135)
Supplemental non-cash disclosures:				
Operating lease right-of-use assets obtained/disposed of in exchange for operating lease obligations during the period, net	$	3,042	$	(53)

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flow:

		March 31, 2022		March 31, 2021
Cash and cash equivalents	$	357,048	$	455,574
Restricted cash		28,231		25,457
Total cash, cash and cash equivalents and restricted cash shown in the statement of cash flows	**$**	**385,279**	**$**	**481,031**

The accompanying notes are an integral part of these standalone financial statements.

On behalf of the Company

Pochekuev V. A.
Chief Executive Officer

Morozova N. A.
Chief Accountant

NOTE 1 - DESCRIPTION OF BUSINESS

Overview

LLC IC Freedom Finance (referred to herein as "Freedom RU" or the "Company") is a Russian limited liability company that was organized in 2010. Since 2010, Freedom RU has been engaged in the securities brokerage and financial services business including maintaining the customer accounts, managing investment portfolios, providing financial consulting and engaging in underwriting and market-making activities in the Russian Federation. Freedom RU is 100% owned by Freedom Holding Corp. ("Owner"). The Company is headquartered in Moscow, Russia. The Company is a participant on the Kazakhstan Stock Exchange (KASE), Moscow Exchange (MOEX) and Saint-Petersburg Exchange (SPBX).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting principles

The Company's accounting policies and accompanying standalone financial statements conform to accounting principles generally accepted in the United States of America (U.S. GAAP).

These financial statements have been prepared on the accrual basis of accounting.

Basis of presentation and principles of consolidation

The Company's Standalone financial statements present the Standalone accounts of Freedom RU

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates utilized in preparing the Company's standalone financial statements are reasonable and prudent. Actual results could differ from those estimates.

Revenue and expense recognition

Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC Topic 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services promised to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied. A significant portion of the Company's revenue-generating transactions are not subject to ASC Topic 606, including revenue generated from financial instruments, such as loans and investment securities, as these activities are subject to other U.S. GAAP guidance discussed elsewhere within these disclosures. Descriptions of the Company's revenue-generating activities that are within the scope of ASC Topic 606, which are presented in the Standalone Statements of Operations and Statements of Other Comprehensive (Loss)/Income as components of non-interest income are as follows:

- Commissions on brokerage services; and
- Commissions on investment banking services (underwriting, market making, and bondholders' representation services).

Under Topic 606, the Company is required to recognize incentive fees when they are probable and there is not a significant chance of reversal in the future.

The Company recognizes revenue in accordance with the core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer - A contract is an agreement between two or more parties that creates enforceable rights and obligations.
- Step 2: Identify the performance obligations in the contract - A contract includes promises to transfer goods or services to a customer. If those goods or services are distinct, the promises are performance obligations and are accounted for separately.
- Step 3: Determine the transaction price - The transaction price is the amount of consideration in a contract to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The transaction price can be a fixed amount of customer consideration, but it may sometimes include variable consideration or consideration in a form other than cash. The transaction price also is adjusted for the effects of the time value of money if the contract includes a significant financing component and for any consideration payable to the customer. If the consideration is variable, an entity estimates the amount of consideration to which it will be entitled in exchange for the promised goods or services. The estimated amount of variable consideration will be included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.
- Step 4: Allocate the transaction price to the performance obligations in the contract - An entity typically allocates the transaction price to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. If a standalone selling price is not observable, an entity estimates it. Sometimes, the transaction price includes a discount or a variable amount of consideration that relates entirely to a part of the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation - An entity recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognized is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For performance obligations satisfied over time, an entity recognizes revenue over time by selecting an appropriate method for measuring the entity's progress toward complete satisfaction of that performance obligation.

Interest income

Interest income on loans issued, trading securities and reverse repurchase agreement obligations are recognized based on the contractual provisions of the underlying arrangements.

Loans

The Company's loan portfolio is consisted of uncollateralized subordinated loans and collateralized loans provided to customers.

Derivative financial instruments

In the normal course of business, the Company invests in various derivative financial contracts including futures, options, swaps and forwards. Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The fair values are estimated based on quoted market prices or pricing models that take into account the current market and contractual prices of the underlying instruments and other factors. Derivatives are carried as assets when their fair value is positive and as liabilities when it is negative.

Functional currency

Management has adopted ASC 830, Foreign Currency Translation Matters as it pertains to its foreign currency translation. The Company's functional currency is the Russian ruble and its reporting currency is the U.S. dollar. For financial reporting purposes, foreign currencies are translated into U.S. dollars as the reporting currency. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average monthly rates are used to translate revenues and expenses. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of equity as "Accumulated other comprehensive loss".

Cash and cash equivalents

Cash and cash equivalents are generally comprised of certain highly liquid investments with maturities of three months or less at the date of purchase. Cash and cash equivalents include reverse repurchase agreements which are recorded at the amounts at which the securities were acquired or sold plus accrued interest.

Securities reverse repurchase and repurchase agreements

A reverse repurchase agreement is a transaction in which the Company purchases financial instruments from a seller, typically in exchange for cash, and simultaneously enters into an agreement to resell the same or substantially the same financial instruments to the seller for an amount equal to the cash or other consideration exchanged plus interest at a future date. Securities purchased under reverse repurchase agreements are accounted for as collateralized financing transactions and are recorded at the contractual amount for which the securities will be resold, including accrued interest. Financial instruments purchased under reverse repurchase agreements are recorded in the financial statements as cash placed on deposit collateralized by securities and classified as cash and cash equivalents in the Standalone Balance Sheets.

A repurchase agreement is a transaction in which the Company sells financial instruments to another party, typically in exchange for cash, and simultaneously enters into an agreement to reacquire the same or substantially the same financial instruments from the buyer for an amount equal to the cash or other consideration exchanged plus interest at a future date. These agreements are accounted for as collateralized financing transactions. The Company retains the financial instruments sold under repurchase agreements and classifies them as trading securities in the Standalone Balance Sheets. The consideration received under repurchase agreements is classified as securities repurchase agreement obligations in the Standalone Balance Sheets.

The Company enters into reverse repurchase agreements, repurchase agreements, securities borrowed and securities loaned transactions to, among other things, acquire securities to leverage and grow its proprietary trading portfolio, cover short positions and settle other securities obligations, to accommodate customers' needs and to finance its inventory positions. The Company enters into these transactions in accordance with normal market practice. Under standard terms for repurchase transactions, the recipient of collateral has the right to sell or repledge the collateral, subject to returning equivalent securities on settlement of the transaction.

Trading securities

Financial assets are classified as trading securities if the financial asset has been acquired principally for the purpose of selling it in the near term.

Trading securities are stated at fair value, with any gains or losses arising on remeasurement recognized in revenue. Changes in fair value are recognized in the Standalone Statements of Operations and Statements of Other Comprehensive (Loss)/Income and included in net gain on trading securities. Interest earned and dividend income are recognized in the Standalone Statements of Operations and Statements of Other Comprehensive (Loss)/Income and included in interest income, according to the terms of the contract and when the right to receive the payment has been established.

Investments in nonconsolidated managed funds are accounted for at fair value based on the net asset value of the funds provided by the fund managers with gains or losses included in net gain on trading securities in the Standalone Statements of Operations and Statements of Other Comprehensive (Loss)/Income.

Margin lending

The Company engages in securities financing transactions with and for clients through margin lending. Under agreements, the Company is permitted to sell or repledge securities received as collateral and use these securities to secure securities acquired under resale agreements, enter into securities lending transactions or deliver these securities to counterparties to cover short positions.

Debt securities issued

Debt securities issued are initially recognized at the fair value of the consideration received, less directly attributable transaction costs. Subsequently, amounts due are stated at amortized cost and any difference between net proceeds and the redemption value is recognized over the period of the borrowings using the effective interest method. If the Company purchases its own debt it is removed from the Standalone Balance Sheets and the difference between the carrying amount of the liability and the consideration paid is recognized in the Standalone Statements of Operations and Statements of Other Comprehensive (Loss)/Income.

Brokerage and other receivables

Brokerage and other receivables comprise commissions and receivables related to the securities brokerage and banking activity of the Company. At initial recognition, brokerage and other receivables are recognized at fair value. Subsequently, brokerage and other receivables are carried at cost net of any allowance for impairment losses.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognized where all of the following conditions are met:

- The transferred financial assets have been isolated from the Company - put presumptively beyond the reach of the Company and its creditors, even in bankruptcy or other receivership.
- The transferee has rights to pledge or exchange financial assets.
- The Company or its agents do not maintain effective control over the transferred financial assets or third-party beneficial interests related to those transferred assets.

Where the Company has not met the asset derecognition conditions above, it continues to recognize the asset to the extent of its continuing involvement.

Impairment of long-lived assets

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Company periodically evaluates the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the fair value from such asset is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair values are reduced for the cost of disposal.

Income taxes

The Company recognizes deferred tax liabilities and assets based on the difference between the financial statements and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

Current income tax expenses are provided for in accordance with the laws of the relevant taxing authorities. As part of the process of preparing financial statements, the Company is required to estimate its income taxes in each of the jurisdictions in which it operates. The Company accounts for income taxes using the asset and liability approach. Under this method, deferred income taxes are recognized for tax consequences in future years based on differences between the tax bases of assets and liabilities and their reported amounts in the financial statements at each year-end and tax loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates applicable for the differences that are expected to affect taxable income.

The Company will include interest and fines arising from the underpayment of income taxes in the provision for income taxes (if anticipated). As of March 31, 2022 and 2021, the Company had no accrued interest or fines related to uncertain tax positions.

The Global Intangible Low-Taxed Income ("GILTI") provisions of the Tax Reform Act require the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary's tangible assets. The Company has presented the deferred tax impacts of GILTI tax in its standalone financial statements as of March 31, 2022 and 2021.

Financial instruments

Financial instruments are carried at fair value as described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. Fair value is the current bid price for financial assets, current ask price for financial liabilities and the average of current bid and ask prices when the Company is both in short and long positions for the financial instrument. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other institution and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Leases

The Company follows ASU No. 2016-02, "Leases (Topic 842)," which requires leases with durations greater than twelve months to be recognized on the balance sheet.

Operating lease assets and corresponding lease liabilities were recognized on the Company's Standalone Balance Sheets. Refer to Note 20 - Leases, within the notes to standalone financial statements for additional disclosure and significant accounting policies affecting leases.

Fixed assets

Fixed assets are carried at cost, net of accumulated depreciation. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range between three and seven years.

Advertising expense

For the years ended March 31, 2022 and 2021 the Company had expenses related to advertising in the amount of $6,654 and $1,662, respectively. All costs associated with advertising are expensed in the period incurred.

Recent accounting pronouncements

In June 2016 the FASB issued Accounting Standards Update No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which introduced an expected credit loss methodology for the impairment of financial assets measured at amortized cost basis. That methodology replaces the probable, incurred loss model for those assets. In November 2019, the FASB issued ASU 2019-10 "Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)". The Board developed a philosophy to extend and simplify how effective dates are staggered between larger public companies (bucket one) and all other entities (bucket two). Those other entities include private companies, smaller public companies, not-for-profit organizations, and employee benefit plans. Under this philosophy, a major update would first be effective for bucket-one entities, that is, public business entities that are SEC filers, excluding entities eligible to be smaller reporting companies (SRCs) under the SEC's definition. The Master Glossary of the Codification defines public business entities and SEC filers. All other entities, including SRCs, other public business entities, and nonpublic business entities (private companies, not-for-profit organizations, and employee benefit plans) would compose bucket two. For those entities, it is anticipated that the Board will consider requiring an effective date staggered at least two years after bucket one for major updates. The Company is private company and according to ASU 2019-10, qualifies for bucket two. Accordingly, ASU 2016-13 and ASU 2017-12 are effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact that ASU 2016-13 and 2017-12 will have on its standalone financial statements and related disclosures.

In March 2022 the FASB issued Accounting Standards Update No. 2022-01, "Derivatives and Hedging (Topic 815): Fair Value Hedging-Portfolio Layer Method", which introduces the amendments, which targeted on improvements to the optional hedge accounting model with the objective of improving hedge accounting to better portray the economic results of an entity's risk management activities in its financial statements. The amendments in this Update apply to the Company that elect to apply the portfolio layer method of hedge accounting in accordance with Table of Contents Topic 815. For a closed portfolio of prepayable financial assets or one or more beneficial interests secured by a portfolio of prepayable financial instruments, the last-of-layer method allows an entity to hedge a stated amount of the asset or assets in the closed portfolio that is anticipated to be outstanding for the designated hedge period. If the requirements for the last-of-layer method are met, prepayment risk is not incorporated into the measurement of the hedged item. Accordingly, ASU 2022-01 is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact that ASU 2022-01 will have on its standalone financial statements and related disclosures.

In March 2022 the FASB issued Accounting Standards Update No. 2022-02, "Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures", which introduces the amendments on solving two issues of creditors related to troubled debt restructurings and gross write-offs of vintage debt disclosures. The amendments in Update 2016-13 require that an entity measure and record the lifetime expected credit losses on an asset that is within the scope of the Update upon origination or acquisition, and, as a result, credit losses from loans modified as troubled debt restructurings (TDRs) have been incorporated into the allowance for credit losses. Investors and preparers observed that the additional designation of a loan modification as a TDR and the related accounting are unnecessarily complex and no longer provide decision-useful information. Moreover, Investors and other financial statement users observed that disclosing gross write-offs by year of origination provides important information that allows them to better understand changes in the credit quality of an entity's loan portfolio and underwriting performance. Accordingly, ASU 2022-02 is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact that ASU 2022-02 will have on its standalone financial statements and related disclosures.

In June 2022 FASB Issued Accounting Standard Updated No. 2022-03 "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions". The FASB has issued this standard to (1) clarify the guidance in Topic 820 – Fair Value Measurement, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security, (2) to amend a related illustrative example, and (3) to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. The amendments in this Update affect all entities that have investments in equity securities measured at fair value that are subject to a contractual sale restriction. For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. The Company is currently evaluating the impact that ASU 2022-03 will have on its standalone financial statements and related disclosures.

NOTE 3 – UNCONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2022 and 2021, the investment in subsidiaries balance in the Company's wholly-owned subsidiaries, i.e. JSC Freedom Finance (Freedom KZ), an Almaty, Kazakhstan-based securities broker-dealer and FFIN Bank, a Moscow, Russia-based bank, was $119,167 and $63,515, respectively.

The accompanying financial statements do not include the assets, liabilities and operations of FFIN Bank and Freedom KZ including its subsidiary Freedom Bank KZ as required by US GAAP. Consolidation of these subsidiaries in the accompanying financial statements at March 31, 2022 and 2021 would result in an increase of total assets of approximately $1,137,764 and $762,761, respectively, an increase in total liabilities of approximately $1,027,750 and $694,729, respectively, an increase in total equity of approximately $89,411 and $59,432, and revenues would be increased by $137,198 and $71,628, respectively, and expenses would be increased by $111,225 and $40,154, respectively, for the years then ended.

LLC IC FREEDOM FINANCE

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in thousands of United States dollars, unless otherwise stated)

NOTE 4 - CASH AND CASH EQUIVALENTS

	March 31, 2022	March 31, 2021
Securities purchased under reverse repurchase agreements	$ 253,525	$ 220,267
Current accounts in clearing organizations	68,638	77,908
Current accounts with brokers	15,869	57,301
Current account with National Settlement Depository (Russia)	8,255	6,787
Accounts with stock exchange	6,097	92,154
Cash in transit	4,142	—
Current accounts with commercial banks	498	1,146
Current account with Central Depository (Kazakhstan)	24	11
Total cash and cash equivalents	$ 357,048	$ 455,574

As of March 31, 2022 and 2021, the cash and cash equivalents balance included collateralized securities received under reverse repurchase agreements on the terms presented below:

	March 31, 2022			
	Interest rates and remaining contractual maturity of the agreements			
	Average Interest rate	Up to 30 days	30-90 days	Total
Securities purchased under reverse repurchase agreements				
Corporate equity	2.16 %	$ 246,452	$ —	$ 246,452
Corporate debt	14.30 %	7,073	—	7,073
Total		$ 253,525	$ —	$ 253,525

	March 31, 2021			
	Interest rates and remaining contractual maturity of the agreements			
	Average Interest rate	Up to 30 days	30-90 days	Total
Securities purchased under reverse repurchase agreements				
Non-US sovereign debt	1.07 %	$ 99,473	$ —	$ 99,473
Corporate debt	4.34 %	76,103	—	76,103
Corporate equity	2.97 %	44,691	—	44,691
Total		$ 220,267	$ —	$ 220,267

The securities received by the Company as collateral under reverse repurchase agreements are liquid trading securities with market quotes and significant trading volume. The fair value of collateral received by the Company under reverse repurchase agreements as of March 31, 2022 and 2021, was $352,786 and $241,576, respectively.

NOTE 5 - RESTRICTED CASH

Restricted cash for the periods ended March 31, 2022 and 2021, consisted of:

	March 31, 2022	March 31, 2021
Brokerage customers' cash	$ 28,192	$ 25,457
Guaranty deposits	39	—
Total restricted cash	$ 28,231	$ 25,457

(All amounts in thousands of United States dollars, unless otherwise stated)

As of March 31, 2022 and 2021, the Company's restricted cash consisted of cash segregated in a special custody account for the exclusive benefit of our brokerage customers in the amount of $28,192 and $25,457, respectively.

NOTE 6 - TRADING SECURITIES

As of March 31, 2022 and 2021, trading and available-for-sale securities consisted of:

	March 31, 2022	March 31, 2021
Corporate debt	$ 55,873	$ 83,509
Corporate equity	26,185	8,061
Exchange traded notes	5,004	7,560
Non-US sovereign debt	—	5,708
Total trading securities	**$ 87,062**	**$ 104,838**

As of March 31, 2022, the Company held equity securities of Public Joint Stock Company "St. Petersburg Exchange" in the amount of $19,819 and debt securities of two issuers which individually exceeded 10% of the Company's total trading securities - JSC "KazAgroFinance" and the Kazakhstan Sustainability Fund JSC of $30,541 and $17,912, respectively.

As of March 31 ,2021, the Company held debt securities of two issuers which individually exceeded 10% of the Company's total trading securities - JSC "KazAgroFinance" and the Kazakhstan Sustainability Fund JSC of $36,789 and $19,982, respectively.

The Company recognized no other than temporary impairment in accumulated other comprehensive income.

The fair value of assets and liabilities is determined using observable market data based on recent trading activity. Where observable market data is unavailable due to a lack of trading activity, the Company utilizes internally developed models to estimate fair value and independent third parties to validate assumptions, when appropriate. Estimating fair value requires significant management judgment, including benchmarking to similar instruments with observable market data and applying appropriate discounts that reflect differences between the securities that the Company is valuing and the selected benchmark. Depending on the type of securities owned by the Company, other valuation methodologies may be required.

Measurement of fair value is classified within a hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Classification within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The valuation hierarchy contains three levels:

- Level 1 - Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.
- Level 2 - Valuation inputs are quoted market prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets, and other observable inputs directly or indirectly related to the asset or liability being measured.
- Level 3 - Valuation inputs are unobservable and significant to the fair value measurement.

LLC IC FREEDOM FINANCE

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in thousands of United States dollars, unless otherwise stated)

The following tables present trading securities assets in the Standalone Financial Statements or disclosed in the Notes to the Standalone Financial Statements at fair value on a recurring basis as of March 31, 2022 and 2021:

			Fair Value Measurements at March 31, 2022 using		
	Weighted average interest rate	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant unobservable units (Level 3)
Corporate debt	9.54 %	$ 55,873	$ 55,873	$ —	$ —
Corporate equity	—	26,185	21,416	4,767	2
Exchange traded notes	—	5,004	5,004	—	—
Total trading securities		**$ 87,062**	**$ 82,293**	**$ 4,767**	**$ 2**

			Fair Value Measurements at March 31, 2021 using		
	Weighted average interest rate	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant unobservable units (Level 3)
Corporate debt	7.92 %	$ 83,509	$ 83,509	$ —	$ —
Corporate equity	—	8,061	8,024	1	36
Exchange traded notes	—	7,560	7,560	—	—
Non-U.S. sovereign debt	3.36 %	5,708	5,708	—	—
Total trading securities		**$ 104,838**	**$ 104,801**	**$ 1**	**$ 36**

NOTE 7 - BROKERAGE AND OTHER RECEIVABLES, NET

Brokerage and other receivables, net of the Company are comprised of the following:

	March 31, 2022	March 31, 2021
Margin lending receivables	$ 212,787	$ 14,956
Receivables from brokerage clients	277	341
Other receivables	—	235
Allowance for receivables	(406)	—
Total brokerage and other receivables, net	**$ 212,658**	**$ 15,532**

As of March 31, 2022 and 2021, using historical and statistical data, the Company recorded an allowance for brokerage receivables in the amounts of $406 and $0, respectively.

LLC IC FREEDOM FINANCE

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in thousands of United States dollars, unless otherwise stated)

NOTE 8 - INVESTMENTS IN SUBSIDIARIES

The Company`s principal subsidiaries as of March 31, 2022 and 2021 are set out below. The proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

	March 31, 2022		March 31, 2021			
	Ownership	Percentage, %	Ownership	Percentage, %	Country	Sector
JSC "Freedom Finance"	$ 106,509	90.43 %	$ 50,867	92.96 %	Republic of Kazakhstan	Brokerage, dealing and banking services
FFIN Bank	12,658	100 %	12,658	100 %	Russian Federation	Banking services
	$ 119,167		$ 63,515			

NOTE 9- LOANS ISSUED

As of March 31, 2022 and 2021 the Company had loans issued in the amount of $2,474 and $4,132, respectively. Loans issued as of March 31, 2022 consisted of $2,474 subordinated loan issued to subsidiary - FFIN Bank with 3% interest rate and undefined maturity date. Loans issued as of March 31, 2021 consisted of $1,384 uncollateralized loans issued due in May 2021 with 13% interest rate, $2,748 subordinated loan issued to subsidiary - FFIN Bank with interest rate of 3% and undefined maturity date.

NOTE 10 - DEFERRED TAX (LIABILITIES)/ASSETS

The Company is subject to taxation in Russian Federation.

The tax rates used for deferred tax assets and liabilities for the years ended March 31, 2022 and 2021, is 20% for the Russian Federation.

As of March 31, 2022 and 2021, deferred tax assets and liabilities of the Company were comprised of the following:

	March 31, 2022	March 31, 2021
Deferred tax assets:		
Revaluation on trading securities	$ 4,984	$ —
Tax losses carryforward	5,000	—
Deferred tax assets	**$ 9,984**	**$ —**
Deferred tax liabilities:		
Revaluation on trading securities	$ —	$ 457
Deferred tax liabilities	**$ —**	**$ 457**
Net deferred tax assets/(liabilities)	**$ 9,984**	**$ (457)**

LLC IC FREEDOM FINANCE

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in thousands of United States dollars, unless otherwise stated)

As of March 31, 2022 and 2021, income tax benefit/(expense) was comprised of the following:

	Year ended March 31, 2022	Year ended March 31, 2021
Current income tax expense	$ —	$ 6,431
Deferred income tax benefit	(11,433)	(1,062)
Income tax (benefit)/expense	**$ (11,433)**	**$ 5,369**

During the years ended March 31, 2022 and 2021, the Company realized a net loss before income tax of $(84,412) and a net income before income tax of $27,639, respectively. During the same periods, the Company's effective tax rate was equal to 13.5% and 19.4% , respectively. This resulted in the Company realizing an income tax benefit/(expense) for the years ended March 31, 2022 and 2021 in the amount of $(11,433) and $5,369, respectively.

Tax loss carryforwards as of March 31, 2022, was $5,000 in Russia, and do not have an expiration date

NOTE 11 - FIXED ASSETS, NET

As of March 31, 2022 and 2021, fixed assets, net of the Company included the following:

	March 31, 2022	March 31, 2021
Capital expenditures on leasehold improvements	$ 1,602	$ 1,415
Office equipment	1,016	622
Furniture	698	767
Processing and storage data centers	379	—
Vehicles	330	390
Other	380	19
Less: Accumulated depreciation	(1,943)	(1,405)
Total fixed assets, net	**$ 2,462**	**$ 1,808**

Depreciation expense totaled $807 and $674 for the years ended March 31, 2022 and 2021, respectively.

NOTE 12 - INTANGIBLE ASSETS, NET

As of March 31, 2022 and 2021, intangible assets, net of the Company included the following:

	March 31, 2022	March 31, 2021
Trading platform	$ 2,350	$ 2,610
Client base	592	657
Other intangible assets	1,188	947
Less: Accumulated amortization	(2,973)	(2,625)
Total intangible assets, net	**$ 1,157**	**$ 1,589**

Amortization expense totaled $702 and $699 for the years ended March 31, 2022 and 2021, respectively.

LLC IC FREEDOM FINANCE

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in thousands of United States dollars, unless otherwise stated)

NOTE 13 - OTHER ASSETS, NET

As of March 31, 2022 and 2021, other assets, net of the Company included the following:

	March 31, 2022	March 31, 2021
Current income tax asset	$ 2,474	$ —
Advances paid	1,456	605
Taxes other than income taxes	31	17
Rent guarantee deposit	—	407
Other	205	78
Allowance for other assets	(24)	—
Other assets, net	**$ 4,142**	**$ 1,107**

NOTE 14 - DEBT SECURITIES ISSUED

As of March 31, 2022 and 2021, outstanding debt securities of the Company included the following:

	March 31, 2022	March 31, 2021
Debt securities issued denominated in USD	$ 64,043	$ 30,043
Debt securities issued denominated in RUB	—	6,605
Accrued interest	594	447
Total debt securities issued	**$ 64,637**	**$ 37,095**

As of March 31, 2022 and 2021, the Company's outstanding debt securities had fixed annual coupon rates ranging from 5.50% to 6.50% and maturity dates ranging from January 2023 to November 2026. The Company's debt securities include $34,000 of Freedom RU notes issued in November 2021. The Freedom RU notes denominated in U.S. dollars, bear interest at an annual rate of 5.50% and are due in November 2026. The Freedom RU notes were issued under Russian law and trade on the MOEX. The Company's debt securities also include $30,043 of Freedom RU notes issued in January 2020. These Freedom RU notes are denominated in U.S. dollars, bear interest at an annual rate of 6.50% and are due in January 2023. These Freedom RU notes were also issued under Russian law and trade on the MOEX.

Debt securities issued are initially recognized at the fair value of the consideration received, less directly attributable transaction costs.

NOTE 15 - CUSTOMER LIABILITIES

The Company recognizes customer liabilities associated with funds held by our brokerage customers. Customer liabilities consist of:

	March 31, 2022	March 31, 2021
Brokerage customers	$ 604,669	$ 469,637
Total customer liabilities	**$ 604,669**	**$ 469,637**

(All amounts in thousands of United States dollars, unless otherwise stated)

NOTE 16 - OTHER LIABILITIES

As of March 31, 2022 and 2021, other liabilities of the Company included the following:

	March 31, 2022	March 31, 2021
Vacation reserve	$ 1,467	$ 882
Salaries and other employee benefits	442	263
Taxes payable other than income tax	24	32
Other	228	204
Total other liabilities	$ 2,161	$ 1,381

NOTE 17 - SECURITIES REPURCHASE AGREEMENT OBLIGATIONS

As of March 31, 2022 and 2021, trading securities included collateralized securities subject to repurchase agreements as described in the following table:

	March 31, 2022				
	Interest rates and remaining contractual maturity of the agreements				
	Average interest rate	Up to 30 days	30-90 days	Over 90 days	Total
Securities sold under repurchase agreements					
Corporate debt	13.93 %	$ 32,145	$ —	$ —	$ 32,145
Corporate equity	13.00 %	324	—	—	324
Total securities sold under repurchase agreements		$ 32,469	$ —	$ —	$ 32,469

	March 31, 2021				
	Interest rates and remaining contractual maturity of the agreements				
	Average interest rate	Up to 30 days	30-90 days	Over 90 days	Total
Securities sold under repurchase agreements					
Corporate debt	9.39 %	$ 51,308	$ —	$ —	$ 51,308
Non-US sovereign debt	4.61 %	689	—	—	689
Total securities sold under repurchase agreements		$ 51,997	$ —	$ —	$ 51,997

The fair value of collateral pledged under repurchase agreements as of March 31, 2022 and 2021, was $32,431 and $52,059, respectively.

Securities pledged as collateral by the Company under repurchase agreements are liquid trading securities with market quotes and significant trading volume.

NOTE 18 - EQUITY

As of March 31, 2022 and 2021 the authorized charter capital comprised $159,339 and $86,395, respectively. As of March 31, 2022 and 2021 the additional paid in capital comprised of $38,233 and $16,633, respectively.

During the year ended March 31, 2022, the Company issued charter capital in the amount of $72,944.

During the year ended March 31, 2022, Timur Turlov made a capital contribution to the Company in the amount of $21,600.

NOTE 19 - RELATED PARTY TRANSACTIONS

During the years ended March 31, 2022 and 2021, the Company earned fee and commission income from related parties in the amounts of $8,540 and $3,652 respectively. Commission income earned from related parties is comprised primarily of brokerage commissions and commissions for money transfers by brokerage clients. Fee and commission income generated from FFIN Brokerage accounted for $5,201, or 61% of our total related party commission income for the year ended March 31, 2022.

During the years ended March 31, 2022 and 2021, the Company paid commission expense to related parties in the amount of $17,367 and $10,292 , respectively. Commission expense paid to Freedom EU accounted for $11,585, or 67% of our total related party commission expense for the year ended March 31, 2022.

During the years ended March 31, 2022 and 2021, the Company earned interest income from related parties in the amounts of $2,803 and $85.

As of March 31, 2022 and 2021, the Company had restricted customer cash deposited in current and brokerage accounts with related parties in the amounts of $11,115 and $68,116, respectively. The Company had restricted customer cash deposited in brokerage account with related party Freedom EU in the amount of $11,089, or 100%, respectively.

As of March 31, 2022 and 2021, the Company had receivables from brokerage clients from related parties totaling $10 and $2, respectively. Brokerage and other receivables from related parties result principally from commissions receivable on the brokerage operations of related parties.

As of March 31, 2022 and 2021, the Company had margin lending receivables with related parties totaling $2,591 and $21, respectively.

As of March 31, 2022 and 2021, the Company had accounts payable due to a related party totaling $77 and $69, respectively.

As of March 31, 2022 and 2021, the Company had customer liabilities on brokerage account accounts of related parties totaling $78,944 and $57,215, respectively. The Company had customer liabilities on brokerage account of FFIN Brokerage of $47,559, or 60% respectively.

FFIN Brokerage is owned personally by Timur Turlov and is not a subsidiary of Freedom Holding Corp. FFIN Brokerage has its own brokerage customers, which include individuals and market-maker institutions and conducts business with the Company.

Freedom EU is a Cyprus-based broker-dealer which is wholly owned by the Company's parent Freedom Holding Corp.

NOTE 20 - LEASES

The Company determines whether a contract is or contains a lease at inception of the contract and whether that lease meets the classification criteria of a finance or operating lease. When available, the Company uses the rate implicit in the lease to discount lease payments to present value; however, most of the Company's leases do not provide a readily determinable implicit rate. Therefore, the Company must discount lease payments based on an estimate of its incremental borrowing rate.

LLC IC FREEDOM FINANCE

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in thousands of United States dollars, unless otherwise stated)

The table below presents the lease related assets and liabilities recorded on the Company's standalone balance sheets as of March 31, 2022:

	Classification on Balance Sheet		March 31, 2022
Assets			
Operating lease assets	Right-of-use assets	$	4,396
Total lease assets		**$**	**4,396**
Liabilities			
Operating lease liability	Lease liability	$	4,059
Total lease liability		**$**	**4,059**

Lease obligations at March 31, 2022, consisted of the following:

Twelve months ending March 31,		
2023	$	2,320
2024		1,125
2025		821
2026		453
2027		22
Thereafter		—
Total payments		4,741
Less: amounts representing interest		(682)
Lease liability, net	**$**	**4,059**
Weighted average remaining lease term (in months)		21
Weighted average discount rate		12 %

Lease commitments for short-term operating leases as of March 31, 2022 was approximately $160. The Company's rent expense for office space was $519 and $217 for the year ended March 31, 2022 and 2021, respectively.

NOTE 21 - SUBSEQUENT EVENTS

The Company has performed an evaluation of subsequent events through the time of filing this annual report. During this period the Company did not have any additional material recognizable subsequent events.

On behalf of the Company

Pochekuev V. A.
Chief Executive Officer

Morozova M. A.
Chief Accountant