

# **TWINO LLC**

**Financial Statements for 2015**



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## **Independent Auditors' Report**

*To the Shareholder  
TWINO LLC*

We have audited the accompanying financial statements of TWINO LLC (the "Company"), which comprise the statement of financial position as at 31 December 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*KPMG Georgia LLC*


KPMG Georgia LLC  
2 September 2016

# TWINO LLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR 2015

'000 GEL	Note	For the period from 17 February 2014 to 31 December 2014	2015
Finance income	5	2,263	13,642
Finance costs	5	(357)	(1,853)
<b>Net finance income before provision for impairment losses</b>		<b>1,906</b>	<b>11,789</b>
Provision for impairment losses	6	(1,057)	(4,179)
<b>Net finance income</b>		<b>849</b>	<b>7,610</b>
Loan management fee	5	-	2,530
Loss from disposal of impaired loans	6	(132)	(419)
Foreign exchange gain/(loss), net	7	57	(849)
Other income, net	9	40	549
<b>Net non-interest (expense)/income</b>		<b>(35)</b>	<b>1,811</b>
<b>Operating income</b>		<b>814</b>	<b>9,421</b>
<b>Operating expenses</b>	8	<b>(754)</b>	<b>(4,955)</b>
<b>Profit before income tax</b>		<b>60</b>	<b>4,466</b>
Income tax expense	10	(95)	(757)
<b>(Loss)/profit and total comprehensive (loss)/income for the period/year</b>		<b>(35)</b>	<b>3,709</b>

These financial statements were approved by management on 2 September 2016 and were signed on its behalf by:

  
Director  
Raimonds Cipce

Tbilisi, Georgia

  
Chief Accountant  
Maia Tsitskishvili

Tbilisi, Georgia



# TWINO LLC

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

'000 GEL	Note	2014	2015
<b>ASSETS</b>			
Cash and cash equivalents	11	318	1,557
Deferred tax asset	10	-	157
Loans to customers	12	3,554	2,062
Loans assigned to Parent Company		-	12,830
Property and equipment	13	66	400
Intangible assets		20	113
Other assets	14	272	616
<b>Total assets</b>		<b>4,230</b>	<b>17,735</b>
<b>LIABILITIES AND EQUITY</b>			
Borrowed funds	16	4,045	10,433
Current income tax liabilities		103	852
Deferred tax liability	10	8	-
Other liabilities	15	109	2,776
<b>Total liabilities</b>		<b>4,265</b>	<b>14,061</b>
<b>EQUITY</b>			
(Accumulated deficit)/retained earnings	17	(35)	3,674
<b>Total equity</b>		<b>(35)</b>	<b>3,674</b>
<b>Total liabilities and equity</b>		<b>4,230</b>	<b>17,735</b>

The statement of financial position is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 8 to 30.

## TWINO LLC

### STATEMENT OF CHANGES IN EQUITY FOR 2015

'000 GEL	(Accumulated deficit)/ retained earnings	Total equity
Balance at 17 February 2014		-
Loss and total comprehensive loss for the period	(35)	(35)
<b>Balance at 31 December 2014</b>	<b>(35)</b>	<b>(35)</b>
Balance at 1 January 2015	(35)	(35)
Profit and total comprehensive income for the year	3,709	3,709
<b>Balance at 31 December 2015</b>	<b>3,674</b>	<b>3,674</b>

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 8 to 30.

# TWINO LLC

## STATEMENT OF CASH FLOWS FOR 2015

'000 GEL	Note	For the period from 17 February 2014 to 31 December 2014	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		60	4,466
Adjustments for:			
Provision for impairment losses	6	271	647
Depreciation and amortization	13	6	30
Net foreign exchange (gain)/loss	7	(57)	849
Change in accruals, net		(82)	-
Loss from disposal of property and equipment		-	2
Cash inflow from operating activities before changes in operating assets and liabilities		198	5,994
Changes in operating assets and liabilities			
Loans to customers	12	(3,699)	903
Loans assigned to Parent Company		-	(12,830)
Other assets	14	(272)	(344)
Other liabilities	15	109	2,667
Cash inflow from operating activities before income tax paid		(3,664)	(3,610)
Income tax paid		-	(173)
Net cash outflow from operating activities		(3,664)	(3,783)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	13	(72)	(329)
Purchase of intangible assets		(20)	(93)
Net cash outflow from investing activities		(92)	(422)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowed funds	16	4,095	6,618
Repayment of borrowed funds		-	(1,168)
Net cash inflows from financing activities		4,095	5,450
Net increase in cash and cash equivalents		339	1,245
Effect of exchange rate fluctuations on cash and cash equivalents		(21)	(6)
Cash and cash equivalents, beginning of the period/year		-	318
Cash and cash equivalents, end of the period/year	11	318	1,557

The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 8 to 30.