Prival Securities, Inc.

(A wholly-owned subsidiary of Prival Bank, S.A.)

Report and Financial Statements
June 30, 2023

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(A wholly-owned subsidiary of Prival Bank, S.A.)

Index to the Financial Statements
June 30, 2023

"This version of our financial statements is a translation from the original, which was prepared in Spanish. In all matters of interpretation of information, views or opinions, the original language version of our financial statements takes precedence over this translation."

Independent Auditors' Report

To the Board of Directives and Shareholders of
Prival Securities, Inc.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Prival Securities, Inc. (the "Company") as of June 30, 2023, as well as its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as of June 30, 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Bases for the opinion

We have conducted our audit in accordance with International Standards on Auditing. 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 consider that the evidence of audit that we have obtained is enough and appropriate for provide a basis for our opinion.

Other matters

The financial statements of the Company for the year ended June 30, 2022, were audited by another auditor who expressed an unqualified opinion on the financial statements on September 30, 2022.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards of Independence) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the professional ethics code requirements for certified public accountant that are applicable to our audit of the financial statements in the Republic of Panama. We have fulfilled all other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Republic of Panama.

Responsibilities of management and those charged with governance of the Company in relation to the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and of the internal control that management considers necessary to enable the preparation of financial statements that are free from material misstatement, due to fraud or error.

In preparing the financial statements, management is responsible to evaluate the Company's capacity to continue operations as a going concern, revealing, as appropriate, issues related to business as a going concern and utilizing the basis for accounting for going concern, unless management has the intention to liquidate the Company or cease operations, given there is no other realistic alternative.

Those responsible for the governance of the Company are responsible for the supervision of the financial information reporting process of the Company.

Auditor's responsibilities in relation to the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements are free from material misstatement, due to fraud or error, and issue an audit report with our opinion. Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit conducted in accordance A reasonable assurance is a high degree of assurance, but it does not guarantee that an audit performed according to International Standards on Auditing will always detect a material error when it exists. Errors may be due to fraud or error and are considered material if, individually or aggregated, may be reasonable expected to influence users' economic decisions that are based on these financial statements.

As part of an audit in accordance with International Standards on Auditing, we apply our professional judgment, and we maintain an attitude of professional skepticism during the whole the audit. Also:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and perform audit procedures to respond to those risks and obtain sufficient appropriate audit evidence 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.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude about management's appropriate 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the corresponding disclosures in the financial statements, and if such disclosures are inadequate, we express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying events and transactions in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on other legal and regulatory requirements

In compliance with Law 280 of December 30, 2021, which regulates the profession of the authorized public accountant in the Republic of Panama, we declare the following:

- That the Management, Execution and Supervision of this audit work has been physically carried out in Panamanian territory.

- The audit partner who has prepared this report of the independent auditors is Diana Mosquera, with suitability number of the authorized public accountant No.5160.

- The work team that has participated in the audit referred to in this report is made up of Diana Mosquera, Partner; and Héctor Luna; Manager.

PricewaterhouseCoopers

September 5, 2023
Panama, Republic de Panama

Diana Mosquera
CPA5160

Prival Securities, Inc.
(A wholly-owned subsidiary of Prival Bank, S. A.)

Statement of Financial Position
June 30, 2023
(In balboas)

	Notes	2023	2022
Assets			
Cash and bank deposits	5, 6	5,128,534	3,347,076
Time deposits	5,7	15,033,904	15,033,904
Financial assets measured at fair value through other comprehensive income	8	1,160,160	1,169,649
Investment in associates	5, 9	250,000	275,000
Intangible assets and goodwill	10	3,398,987	3,383,126
Other assets	5, 11	2,378,485	2,063,791
Total assets		27,350,070	25,272,546
Liabilities and Equity			
Liabilities			
Loans received	5,12	15,021,478	-
Other accounts payable	5	350,184	881,732
Total de liabilities		15,371,662	881,732
Equity			
Common shares		500,000	500,000
Additional paid capital		4,800,000	4,800,000
Net changes in other comprehensive income		(25,388)	(15,898)
Retained earnings		6,703,796	19,106,712
Total equity		11,978,408	24,390,814
Total de liabilities and equity		27,350,070	25,272,546

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

Prival Securities, Inc.

(A wholly-owned subsidiary of Prival Bank, S. A.)

Statement of Profit and Loss and Other Comprehensive Income
For the year ended June 30, 2023

(In balboas)

	Notes	2023	2022
Revenue:			
Brokerage services	5, 13	10,103,897	11,489,782
Interests	5	619,298	592,116
Other commisions earned		194,583	143,850
Other revenue		7,825	21,671
Total revenue		10,925,603	12,247,419
Expenses:			
Interests		(338,031)	-
Commisions	5	(1,202,389)	(1,751,836)
Professional fees and services	5	(2,539,068)	(2,950,450)
Amortization of intangible assets	10	(3,973)	(3,361)
Impairment of investment in associates		(25,000)	-
Other	14	(905,770)	(495,505)
Total expenses		(5,014,231)	(5,201,152)
Profit before income tax		5,911,372	7,046,267
Income tax expense	15	(900,030)	(1,061,447)
Profit of the year		5,011,342	5,984,820
Other comprehensive income:			
Items that can be later reclassified to profit or loss:			
Net changes in financial assets to FVTOCI		(9,490)	(5,646)
Total comprehensive income		5,001,852	5,979,174

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

Prival Securities, Inc.
(A wholly-owned subsidiary of Prival Bank, S. A.)

Statement of Changes in Equity
For the year ended June 30, 2023
(In balboas)

	Note	Common Shares	Additional paid capital	Net changes in other comprhensive income	Retained earnings	Total
Balance as at June 30, 2021		500,000	4,800,000	(10,252)	25,424,195	30,713,943
Profit of the year		-	-	-	5,984,820	5,984,820
Other comprehensive income						
Net chages in fair value of the financial assets to FVTOCI		-	-	(5,646)	-	(5,646)
Total of comprehensive income		-	-	(5,646)	5,984,820	5,979,174
Complementary tax		-	-	-	297,697	297,697
Declared dividends	13	-	-	-	(12,600,000)	(12,600,000)
Balance as at June 30, 2022		500,000	4,800,000	(15,898)	19,106,712	24,390,814
Profit of the year		-	-	-	5,011,342	5,011,342
Other comprehensive income						
Net chages in fair value of the financial assets to FVTOCI		-	-	(9,490)	-	(9,490)
Total of comprehensive income		-	-	(9,490)	5,011,342	5,001,852
Complementary tax		-	-	-	185,742	185,742
Declared dividends	13	-	-	-	(17,600,000)	(17,600,000)
Balance as at June 30, 2023		500,000	4,800,000	(25,388)	6,703,796	11,978,408

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

Prival Securities, Inc.
(A wholly-owned subsidiary of Prival Bank, S. A.)

Statement of Cash Flows
For the year ended June 30, 2023
(In balboas)

	Notes	2023	2022
Cash flows from operating activities:			
Profit of the year		5,011,342	5,984,820
Adjustments for:			
Amortization of intangible assets	10	3,973	3,361
Income tax recognized in profit or loss	16	900,030	1,061,447
		5,915,345	7,049,628
Net changes in operating assets and liabilites:			
Other assets		(314,695)	3,959,633
Other accounts payable		(370,131)	22,182
		5,230,519	11,031,443
Income tax paid		(1,061,447)	(800,593)
Net cash provided by the operating activities:		4,169,072	10,230,850
Cash flows from investment activities:			
Purchases of financial assets measeured at fair value through other comprhensive income		(250,000)	(670,375)
Sales of financial assets measeured at fair value through other comprhensive income		250,000	60,490
Acquisition of intangible assets	10	(19,834)	-
Investment in associates		25,000	-
Net cash provided by (used in) the investing activities:		5,166	(609,885)
Cash flows from financing activities:			
Loans received	12	15,021,478	-
Complementary tax		185,742	297,697
Paid dividends		(17,600,000)	(12,600,000)
Net cash used in the financing activities:		(2,392,780)	(12,302,303)
Net Increase (decrease) in cash		1,781,458	(2,681,338)
Cash and cash equivalents at the beginning of the year	6	3,347,076	6,028,414
Cash and cash equivalents at the end of the year	6	5,128,534	3,347,076

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

1. General Information

Prival Securities, Inc. (the "Company") was incorporated in October 29, 2009 under the laws of the Republic of Panama. Its main activity is to negotiate, execute and process the purchase and sale of securities, locally and internationally, and manage investment portfolios, among others.

The Superintendency of Securities Market of Panama, through Resolution No.119 of April 19, 2010, authorized the Company to operate as a Brokerage Firm and through Resolution No.342-10 of September 6, 2010, granted it a license to operate as Investment Administrator.

The Company is 100% subsidiary of Prival Bank, S.A., a Panamanian banking entity with a general license, authorized to operate by the Superintendency of Banks of Panama.

The Company's main offices are located at 50^{th} Street and 71^{st} Street, San Francisco, Panama City.

The financial statements of the Company for the period ended June 30, 2023, were authorized by the General Manager for issuance on September 5, 2023.

2. Application of International Financial Reporting Standards (IFRSs)

New Amendments Adopted by the Bank

New Amendments that have been adopted by the Bank as of July 1, 2022

Modification to IAS 16 Property, Plant and Equipment – Amounts Obtained Prior to Intended Use.
The amendments prohibit the deduction of the cost of a property, plant and equipment asset from any income from selling the asset after it is ready for use, for example, income while the asset is brought to the location and the necessary conditioning is carried out to make it operable in the way it is intended in accordance with the Administration. Therefore, an entity must recognize those sales revenues and costs in profit or loss.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework
The amendments update IFRS 3 so that it can refer to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework. A requirement was also added that, for obligations within the scope of IAS 37, a buyer applies IAS 37 to determine whether at the acquisition date it is a present obligation or exists as a result of a past event. For liens that are within the scope of IFRIC 21 – Liens, the buyer applies IFRIC 21 to determine whether the obligation gives rise to a liability to pay the lien that occurred on the acquisition date.

Finally, the amendments add an explicit statement that the buyer will not recognize a contingent asset acquired from a business combination. The Company did not present any impacts from this modification.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Cost of Performance of a Contract
The purpose of this amendment, which was published in May 2020, is to specify the costs that an entity includes when determining the "cost of performance" of a contract for the purpose of evaluating whether a contract is onerous; clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling a contract and an allocation of other costs that are directly related to fulfilling the contract. Before recognizing a separate provision for an onerous contract, for an onerous contract, the entity must recognize impairment losses on the assets used to fulfill the contract. The Bank did not present significant impacts due to this modification.

Annual Improvements to IFRS Standards 2018-2020 published by the International Accounting Standards Board (the Board)
IFRS 9 Financial Instruments: clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

IFRS 16 Leases: modifies illustrative example 13 of the standard to eliminate the illustration of lessor payments related to improvements to leased assets, to eliminate any confusion about the treatment of leasing incentives.

IFRS 1 First-time adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the book value recorded in the accounting of their parent company to also measure accumulated translation differences using the amounts reported by matrix. This amendment will also apply to associates and joint ventures with some conditions.

The Company did not present significant impacts due to these modifications.

New Amendments Revised, but not yet Effective

Amendments to IAS 1 - Presentation of financial statements and Statement of Practice No.2 of IFRS Making material judgments - Disclosure of accounting policies. The amendments change the requirements of IAS 1 with respect to the disclosure of accounting policies.
The amendments issued to IAS 1 and Practice Statement No.2 of the IFRS in February 2021 have the objective of replacing the term "significant" with "material" to require entities to disclose material information about its accounting policies, rather than its significant accounting policies. Thus, information about accounting policies can be considered material when considered together with other information in a complete set of financial statements. In the Board's opinion, information on accounting policies is expected to be material if its disclosure is necessary for primary users to understand the information provided about material transactions, other events or conditions in the financial statements.

The supporting paragraphs of IAS 1 are also amended to clarify that accounting policy information that relates to transactions, other immaterial events or conditions is immaterial and does not need to be disclosed. Accounting policy information may be material due to the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in IFRS Practice Statement No.2.

The effective date of adoption is January 1, 2023. The Company does not expect significant impacts from this modification; in any case, it is evaluating the impact that they could have on the financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimate
In February 2021, the Board issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in order to include the definition of accounting estimates in paragraph 5 and other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments to IAS 8 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted.

Management is evaluating the impact of the changes that this modification would have on the Company's financial statements and disclosures.

Amendments to IAS 12 Income tax – Deferred taxes Assets and Liabilities arising from a single transaction.
In May 2021, the Board issued amendments to IAS 12, in order to modify paragraphs 15, 22 and 24 that define that the Exemption from the initial recognition of deferred tax does not apply to transactions that at that time give rise to equal taxable and deductible temporary differences.

The effective date of adoption is January 1, 2023. The Company does not expect significant impacts from this modification; in any case, it is evaluating the impact that they could have on the financial statements.

Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between the investor and its associate or joint venture.
The Board made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The modifications clarify the accounting treatment for the sale or contribution of assets between the investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether non-monetary assets sold or contributed to the associate or joint venture constitute a “Business” (as defined in IFRS 3 Business Combinations).

Where non-monetary assets constitute a business, the investor will recognize in full the gain or loss obtained on the sale or contribution of the asset. If the asset does not meet the definition of a business, the gain or loss is recognized by the investor only for the percentage of the other investors' participation in the associate or joint venture. Modifications apply prospectively.

These modifications will be applicable to reporting periods beginning on or after the IASB has completed its research project on the equity method. The Company does not expect any impact from these modifications; in any case, it is evaluating the impact that they could have on the consolidated financial statements.

3. Significant Accounting Policies

Statement of compliance
The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

Basis of preparation
The financial statements have been prepared based on historical cost, except for financial assets measured at fair value with changes in other comprehensive income, which are presented at fair value.

The fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company considers the characteristics of the asset or liability if market participants take into account these characteristics to value the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis.

Foreign currency

<u>Functional and presentation currency</u>

The financial statements are presented in Balboas, the functional and presentation currency of the Company.

The Balboa, monetary unit of the Republic of Panama, is at par and freely exchangeable with the United States Dollar. The Republic of Panama does not issue paper currency and instead uses the US Dollar as legal tender.

<u>Balances and transactions</u>

Transactions in foreign currency are converted into the functional currency applying the prevailing exchange rate at the transaction date. The gain or loss arising from the settlement of such transactions and the year-end conversion of monetary assets and liabilities denominated in foreign currency are recognized in profit or loss, except when they are deferred in equity for qualifying as a cash flow hedge.

Financial assets

<u>Classification</u>

In accordance with IFRS 9, the Company classifies its financial assets and liabilities at the time of initial recognition in the categories of financial assets and financial liabilities discussed below.

When applying that classification, a financial asset or liability is considered to be held for trading if:

- It has been acquired principally for the purpose of selling or repurchasing it in the near-term, or
- On the initial recognition, it is part of a portfolio of identified financial instruments that are jointly managed and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured at fair value through other comprehensive income based on:

- The entity's business model for managing the financial assets.
- The contractual cash flows characteristics of the financial asset.

Financial assets measured at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at FVTOCI if it meets both of the following conditions and has not been designated as FVTPL:

- The asset is held within a business model whose objective is to collect contractual cash flows and to sell these financial assets, and;
- The contractual terms of the financial asset establish specific dates for cash flows derived solely from payments of principal and interest on the current balance.

Financial liabilities

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest rate method, with interest expenses recognized on an effective interest rate basis.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the obligations of the Company are settled, cancelled or expired.

Offsetting of financial instruments

Financial assets and liabilities are offset, that is, when the net amount is presented in the statement of financial position, only when the dependent entities have the right, legally, to offset the recognized amounts in the mentioned instruments, as well as the intention to liquidate the net amount, or to realize the asset and pay the liability simultaneously.

Interest income and expenses

Interest income and expenses are recognized in the statement of profit or loss and other comprehensive income for all financial instruments that generate interest using the effective interest rate method.

The effective interest rate method is used to calculate the amortized cost of a financial asset or liability and for allocating interest income or expenses over a period of time. The effective interest rate is the rate that exactly discounts estimated cash flows over the estimated life of a financial instrument, or, when appropriate over a shorter period, at its net carrying amount. When calculating the effective interest rate, cash flows are estimated considering the contractual terms of the financial instrument; however, future credit losses are not considered.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs directly attributable to the acquisition or issuance of a financial asset or a financial liability.

Dividend income

Dividend income is recognized once the Company’s rights to receive this payment have been established, usually being at the previous dividend date. Dividend income is recognized gross of tax withholdings, if any.

Commission income and expenses

Commission fees, income and expenses that are an integral part of the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate.

Other income and expenses from fees and commissions are mainly related to fees from transactions and services, which are recorded as income and expenses to the extent that the services are provided or received. On the other hand, income from brokerage services and issuance structuring corresponds to the commissions received for the purchase and sale of securities on behalf of clients and debt structuring, which are recognized as income at the settlement date.

Goodwill

Goodwill arising from a business acquisition is carried at the cost established at the acquisition date of the business less any impairment loss, if any.

Goodwill is reviewed annually to determine if there are any indications of impairment of its carrying amount. If such indications exist, the difference between the carrying amount of the goodwill and the recoverable amount is recognized against the results of the period. Goodwill is allocated to cash-generating units for impairment assessment purposes. Any impairment loss is recognized in profit or loss. An impairment loss recognized in goodwill is not reversed in subsequent periods.

Intangible assets

Software licenses are stated at cost less accumulated amortization. Amortization is calculated on the cost of the license based on the straight-line method over the estimated useful life of three years.

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). In case the asset does not generate cash flows for itself, that is independent of other assets, the Company calculates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives are tested for impairment annually.

The recoverable amount is the higher of fair value, less costs of sale and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate before tax that reflects current market assessments with respect to the time value of money and the specific risks of the asset for which estimated future cash flows have not been adjusted.

If it is estimated that the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognized as an expense.

When an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. This reversal is done in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (cash-generating unit) in prior years. The reversal of an impairment loss is immediately recognized as income.

Income tax

The annual income tax includes both current tax and deferred tax. Income tax is recognized in results from operations for the year. The current income tax refers to the estimated tax payable on taxable income for the period, using the prevailing rate at the date of the statement of financial position.

Cash equivalents

Bank deposits are presented at cost in the statement of financial position. For purposes of the statement of cash flows, total cash consists of the Company's demand deposits.

4. Financial Risk Management

Objectives of financial risks management

The activities of the Company are exposed to a variety of financial risks and those activities include the analysis, evaluation, acceptance and management of a certain degree of risk or combination of risks. Taking risks is inherent to the financial business, and the operational risks are an inevitable consequence of being in business. Therefore, the objective of the Company is to achieve an appropriate balance between risk and return and minimize the potential adverse effects on the financial returns of the Company.

The activities of the Company are mainly related to the use of financial instruments, and, as such, the statement of financial position is mainly composed of financial instruments. The Company is therefore exposed to the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors of the Company has the responsibility to establish and overlook the policies on financial instruments risk management.

The Company is subject to the regulations of the Superintendency of Securities Market of Panama in terms of risk, liquidity, and capitalization concentrations, among others.

The main risks identified by the Company are credit, liquidity and market risk, which are described below:

Credit risk

It is the risk of losses due to the counterparty not paying on time and all its obligations or that the counterparty with whom it negotiates breaches a contractual obligation before settling a contract and the effect of having to replace the transaction to balance the position.

The financial assets that potentially present credit risk for the Company consist essentially of bank deposits that earn interests. Bank deposits are placed with local banks. The risk rating of the FVTOCI would be BBB according to the S&P rating agency.

Liquidity risk

Liquidity risk is the risk that the Company does not meet all its obligations on time. The Company holds short-term obligations; however, its liquid assets are higher and provide the coverage necessary to meet its obligations.

The liquidity risk's management process as carried out by the Company includes:

- Managing and monitoring future cash flows to ensure that requirements can be met (this includes the repositioning of funds as they mature);
- Monitoring liquidity rate against internal and regulatory requirements; and
- Managing the maturity profiles of financial liabilities.

The monitoring and reporting, prepared by Management, become tools for measuring and cash flow projection for the next day, week and month respectively, as these are key periods for liquidity management.

The key measurement used by the Company for the administration of liquidity risk is ratio of liquid assets on liquid liabilities. The liquidity risk is defined as the inability of the Company to meet all its obligations due to, among others, the decrease in the value of investments, excessive concentration of liabilities with a particular source, the mismatch between assets and liabilities, the lack of liquidity of the assets, or the financing of long-term assets with short-term liabilities.

Risk management policies establish liquidity limits that determine the portion of assets that the Company must maintain in highly liquid instruments and deadlines.

Market risk

Market risk is the risk that the value of a financial asset will decrease due to changes in interest rates, in foreign currency exchange rates, in stock prices, and other financial variables, as well as the reaction of market participants to economic and political events.

Currently, the Company measures its market risk using internal factors and according to internal investment policies, considering that they should be properly approved by the Board of Directors, who determine the risks factors according to the positions of the Company inside the market. In addition, reports are made to the Board of Directors on investments, thus allowing better decision-making thereon.

The market risk to which the Company is exposed is mainly related to the interest rate risk.

Operational risk management

Operational risk is defined as the possibility of incurring in losses due to deficiencies, errors or inadequacies of the personnel, the processes, technology, and infrastructure or due to the occurrence of external events. This definition includes the legal risk associated with such factors.

Capital management

The Company manages its capital to assure:

- Compliance with requirements established by the Panama Stock Exchange and by the Superintendency of Securities Market of Panama.
- Maintaining a capital base, sufficiently strong to support its business performance.
- Continuing as a going concern while shareholders' returns are maximized through the optimization of the debt and capital balances.

Fair value of financial instruments

The estimated fair value is the amount by which financial instruments can be traded in a common transaction between interested parties, under conditions other than a forced sale or settlement and is best evidenced by market quotations, if any.

The fair value estimates are made at a specific date, based on market estimates and information on financial instruments. These estimates do not reflect any premium or discount that could result from a particular financial instrument sale offering at a given date. These estimates are subjective in nature, involve uncertainties and matters of significant judgment and, therefore, cannot be determined accurately. Any changes in assumptions could affect estimates significantly.

<u>Fair value hierarchy</u>

IFRS 13 sets a hierarchy level of the valuation techniques based on the transparency of the variables used in determining the fair value. All financial instruments at fair value are categorized in one of the three levels of hierarchy:

- Level 1 - Inputs that are quoted market prices (unadjusted) in active markets for assets or liabilities identical to those the entity can access at the measurement date.

- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, or similar in markets that are not active.
- Level 3 - Inputs that are unobservable for the asset or liability.

When determining the fair value measurements of assets and liabilities that are required or permitted to be recorded at fair value, the Company considers the main market or the best market in which the transaction could take place and considers the assumptions that a participant of market would use to value the asset or liability. When possible, the Company uses active markets and observable market prices for identical assets and liabilities.

When identical assets and liabilities are not traded in active markets, the Company uses observable market data for similar assets and liabilities. However, certain assets and liabilities are not actively traded in observable markets and the Company must use alternative valuation techniques to determine the fair value measurement. The frequency of transactions, the size differential between supply and demand and the size of the investment are factors considered to determine the liquidity of markets and the relevance of observed prices in these markets.

Fair value of investments at FVTOCI is based on quoted market prices when available or, if they are not available, based on discounted expected cash flows using market rates commensurate with the credit quality and maturity of the investment.

When the reference prices are available in an active market, investments at FVTOCI are classified within Level 1 of the fair value hierarchy. If the prices of market value are not available or available in markets that are not active, fair value is estimated based on the quoted prices of similar instruments, or where these are not available, internal valuation techniques are used primarily discounted cash flow models. Such securities are classified within Level 2 of the fair value hierarchy.

Some of the assets and liabilities of the Company are valued at fair value at the end of each year.

<u>Fair value of financial assets and liabilities measured at fair value</u>

Some of the Company's financial assets are measured at fair value at the end of each year. The following table provides information on how the fair values of financial assets are determined (particularly, the valuation technique and inputs used).

Fair value measurement of financial assets FVTOCI

	2023	Level 1	Level 2	Level 3
Shares listed in a local organized market	93,126	-	93,126	-
Government debt securities	1,067,034	1,067,034	-	-
	1,160,160	1,067,034	93,126	-

	2022	Level 1	Level 2	Level 3
Shares listed in a local organized market	93,117	-	93,117	-
Government debt securities	1,076,532	1,076,532	-	-
	1,169,649	1,076,532	93,117	-

The following table presents the main valuation methods, variable hypotheses used in the fair value estimates of financial instruments:

Instruments	Valuation technique	Inputs used	Level
Debt instruments	Market prices	Observable market prices in active markets	1
Equity instruments	Market prices	Observable market prices in inactive markets	2

Financial assets and liabilities not measured at fair value (but that require fair value disclosures)

The following table summarizes the carrying value and the estimated fair value of significant financial assets and liabilities not measured at fair value:

2023	Level 1	Level 2	Level 3	Total	Carrying value
Financial assets:					
Demand deposits	-	5,128,534	-	5,128,534	5,128,534
Time deposits	-	14,960,606	-	14,960,606	15,033,904
Total financial assets	-	20,089,140	-	20,089,140	20,162,438

2022	Level 1	Level 2	Level 3	Total	Carrying value
Financial assets:					
Demand deposits	-	3,347,076	-	3,347,076	3,347,076
Time deposits	-	15,093,246	-	15,093,246	15,033,904
Total financial assets	-	18,440,322	-	18,440,322	18,380,980

Assumptions used in determining the fair value of assets and liabilities

Below is a summary of the assumptions used in the fair value estimates of the most important financial instruments of the Company:

Short-term financial assets

For financial assets with short-term maturities (less than three months), the carrying amount, net of impairment, is an approximation of its fair value. Such instruments include: bank demand deposits.

5 Balances and Transactions with Related Parties

Balances and transactions with related parties included in the financial statements are summarized below:

2023	**Related Companies**	**Headquarters**	**Total**
Related parties balances:			
Assets:			
Demand deposits	-	5,128,534	5,128,534
Time deposits	-	15,033,904	15,033,904
Investment in associates	250,000	-	250,000
Other assets	1,863,789	-	1,863,789
Liabilities:			
Loans received	-	15,021,478	15,021,478
Other accounts payable	19,130	-	19,130
Equity:			
Dividends paid	-	17,600,000	17,600,000
Related parties transactions:			
Revenue:			
Interest income - time deposits	-	516,267	516,267
Interest income - investments	4,375		
Brokerage services	3,831,482	113,988	3,945,470
Expenses:			
Commissions	97,627	-	97,627
Professional fees and services	-	2,460,000	2,460,000
Interest paid	-	562,500	562,500

2022	Related companies	Headquarters	Total
Realted parties balances:			
Assets:			
Demand deposits	-	3,347,076	3,347,076
Time deposits	-	15,033,904	15,033,904
Investment in associates	275,000	-	275,000
Other assets	1,232,320	-	1,232,320
Liabilities:			
Other accounts payable	9,616	-	9,616
Equity:			
Dividends paid	-	12,600,000	12,600,000
Related parties transactions			
Revenue:			
Interest income - time deposits	-	562,500	562,500
Brokerage services	3,875,788	-	3,875,788
Expenses:			
Commissions	202,503	-	202,503
Professional fees and services	-	2,850,000	2,850,000

2023	**Directors and management personnel**	**Related companies**	**Total**
Off-balance sheet assets			
Managed assets	956,621	116,015,894	116,972,515
Total operations off-balance sheet	956,621	116,015,894	116,972,515
2022			
Off-balance sheet assets			
Managed assets	831,090	170,258,950	171,090,040
Total operations off-balance sheet	831,090	170,258,950	171,090,040

Prival Securities Inc. has entered a Management Contract with the Mutual Funds Family. The conclusion and signing of the Management Contract were approved by the Board of Directors of the Company, with favorable votes from the independent directors.

The Company receives an income for management services pursuant to an agreement dated March 12, 2012. Under the terms of the agreement, the Company receives up to 1% of the total net assets from the Funds. Management, administrative and custody fees as at June 30, 2023, amounted to B/.3,734,861 (2022: B/.3,664,082) and are presented in the statement of profit or loss and other comprehensive income. The amount outstanding at year-end is B/.1,853,553 (2022: B/.1,349,332) and is included in accounts receivable.

According to the contract between the parties Prival Bank, S.A. and Prival Securities, Inc., through a private document dated April 19, 2010, the parties entered into a contract for administrative, operational and technical support services.

As of June 30, 2023 time deposits earns an interest rate of 3.75% and have maturity on August 28, 2023 (2022: 3.75% and have maturity date on February 28, 2023).

6. Cash and Cash Equivalents

	2023	2022
Demand deposits	5,128,534	3,347,076
Cash and cash equivalents for cash flow purposes	5,128,534	3,347,076

7. Time Deposits

	2023	2022
Time deposits	15,033,904	15,033,904

The interest rate 3.75% with a maturity of 1 year (2022: the same)

8. Financial Assets at Fair Value Through Other Comprehensive Income

The financial assets at fair value through other comprehensive income are comprise of the following types of investments:

	2023	2022
Securities quoted in stock exchanges:		
Common shares - domestic companies	93,126	93,117
Government debt securities	1,067,034	1,076,532
	1,160,160	1,169,649

The annual interest rates that earn the financial assets at FVOCI oscillates between 3.36% and 4.95% (2022: between 3.36% and 4.95%) with various maturities up to 2031. (2022: 2031).

As follows, the movement of financial assets at fair value with changes in other comprehensive income as at June 30:

	2023	**2022**
Initial balance	1,169,649	565,342
Purchases	250,000	670,375
Sales and redemptions	(250,000)	(60,490)
Net change in fair value	(9,490)	(5,651)
Interest receivable	-	73
Total	1,160,160	1,169,649

9. Investments in Other Entities

As at June 30, investments in other entities are summarized as follows:

Name of the Company	Activity	Country of incorporation	Participation percentage held by the Company	2023	2022
Prival Bond Fund, S.A.	Mutual Fund	Panamá	0.75%	25,000	25,000
Prival Multi Strategy and Growth Fund, S.A.	Mutual Fund	Panamá	0.00%	25,000	25,000
Prival Mila Fund, S.A.	Mutual Fund	Panamá	0.00%	-	25,000
Prival Private Equity Fund, S.A.	Mutual Fund	Panamá	6.66%	50,000	50,000
Prival Real Estate Fund, S.A.	Mutual Fund	Panamá	1.06%	50,000	50,000
Insigneo Private Ventures Fund, S.A.	Mutual Fund	Panamá	4.70%	50,000	50,000
PS Multi-Asset Class Fund, Inc.	Mutual Fund	Panamá	2.27%	50,000	50,000
				250,000	275,000

The Company holds class "B" shares with voting rights and without dividend rights; therefore, no participation in these funds is calculated.

The Company is the holder of all 500 Class A common shares of Insigneo Private Ventures Fund, S.A. and PS Multi-Asset Class Fund, Inc. with a nominal value of B/. 100 each from the investment company. The right to vote belongs to class A shares, at the rate of one vote for each share.

Insigneo Private Ventures Fund, S.A. is a venture capital investment company, closed and umbrella type regulated and supervised by the Superintendency of the Securities Market, under resolution SMV No.520-20 of December 7, 2020.

PS Multi-Asset Class Fund, Inc. is a venture capital, closed and umbrella-type investment company regulated and supervised by the Superintendency of the Securities Market, under resolution SMV No.183-21 of April 16, 2021.

According with Resolution SMB 153-22 of April 26, 2022 was approved the dissolution of Prival Mila Fund, S.A. entity.

10. Intangible Assets and Goodwill

	2023	2022
Intangible assets	15,861	-
Goodwill	3,383,126	3,383,126
	3,398,987	3,383,126

Intangible assets

	2023			
	Beginning balance	Additions	Decreases	Final balance
Cost:				
Software	-	19,834	3,973	23,807
Accumulated amortization:				
Software	-	(3,973)	(3,973)	(7,946)
Net balance 2023	-			15,861

	2022			
	Beginning balance	Additions	Decreases	Final balance
Cost:				
Software	230,623	-	(230,623)	-
Accumulated amortization:				
Software	(227,262)	(3,361)	230,623	-
Net balance 2022	3,361			-

Goodwill

The following table summarizes the Company's goodwill balance, generated by the acquisition of:

Company	Acquisition date	Acquired participation	Balance
Prival Securities, Inc.	August 12, 2010	100%	3,383,126

In order to verify goodwill impairment, Prival Securities carries out an annual valuation of the various businesses acquired and which have generated such gains. The calculation of the valuation of goodwill was determined based on the estimated growth projection, using the discount cash flow method based on financial budgets approved by the Board of Directors, covering a period of 5 years at a discount rate of 10%.

Management makes the valuation of goodwill in the subsidiary acquired, applying the method of discounted future cash flows, based on the profitability of its operations.

To carry out the valuation of the assets and acquired businesses, the expected cash flows from the businesses are projected for the corresponding cash-generating unit in 5 years periods. Similarly, a growth to perpetuity or multiple cash flows are defined at the end of the period of the projection of cash flows to estimate the terminal cash flow.

The growth rate was placed at 10%. To determine the growth rates of the businesses, growth, performance and historical metrics, their future prospects, as well as business plans were used as a reference. A price to carrying value multiple of 1.48 is incorporated with comparable from the United States and Mexico.

11. Other Assets

	2023	2022
Commissions receivable	2,021,065	2,003,193
Prepaid expenses	357,420	60,598
	2,378,485	2,063,791

12. Loans Received

As of June 30, 2023 the Company has financing with related parties as follows:

	2023	2022
Obligations with maturity as of April 30, 2025 y interest rate of 4.75 %	2,003,432	-
Obligations with maturity as of April 30, 2025 y interest rate of 4.75 %	7,007,367	-
Obligations with maturity as of April 30, 2025 y interest rate of 4.75 %	3,005,935	-
Obligations with maturity as of April 30, 2025 y interest rate of 4.75 %	3,004,745	-
	15,021,478	-

The Company maintains balances payable for financial costs as a result of financing received for B/.21,478.

The Company has had no defaults in the payment of principal and interest and does not have additional agreements within the clauses of the contract that condition the financing received.

13. Common Shares

The share capital at year-end is comprised of 100 authorized and outstanding shares without par value.

Prival Securities Inc., declared dividend payments at the Boards of Directors meetings held on July, October and December 2022 and January and April 2023. The dividends declared and paid were by B/.17,600,000 (2022: B/.12,600,000).

14. Brokerage Services

Commissions earned for B/.10,103,897 (2022: B/.11,489,782) are mainly related to commissions obtained from brokerage financial intermediation transactions provided to customers.

15. Other Expenses

The detail of other expenses is as follows:

	2023	**2022**
Taxes	300,703	325,508
Leases	172,965	135,754
Maintenance	232,933	-
Legal and notary expenses	389	4,102
Others	198,779	30,141
	905,770	495,505

16. Impairment of Investments in Associates

The Company recorded an impairment in investments in associated companies due to the dissolution of Prival Mila Fund, S.A. for B/.25,000.

17. Income Tax Expense

Income tax returns of the companies incorporated in the Republic of Panama for the last three years are subject to revision by the local tax authorities, including the year ended June 30, 2023, according to current tax regulations.

According to current Panamanian tax Legislation, companies are exempt from payment of income tax on profits derived from foreign operations, interest earned on time deposits placed in local banks, interest earned on Panamanian Government securities and investments on securities issued through the Panama Stock Exchange.

Current income tax expense is as follows:

	2023	**2022**
Current income tax expense	900,030	1,061,447

As of January 1, 2010, with the entry into force of Law No. 8 of March 15, 2010, Article 699 of the Tax Code states that legal entities whose annual taxable income exceed one million five hundred thousand balboas (B/.1,500,000) must pay income tax at a rate of 25% over the higher of: (1) net taxable income calculated by the traditional method established in Title I of the Fourth Book of the Tax Code, or (2) net taxable income arising from applying four point sixty-seven percent (4.67%) to total taxable income.

As at June 30, 2023, the income tax expense amounts to B/.900,030 (2022: B/.1,061,447), calculated by the traditional method as follows:

	2023	**2022**
Profit before income tax	5,911,372	7,046,267
Less: tax effect of non-taxable income	(3,486,405)	(3,939,577)
Plus: tax effect of non-deductible expenses	1,175,154	1,139,097
Taxable base	3,600,121	4,245,787
Income tax	900,030	1,061,447

18. Assets Under Management and Custody

The Company managed investment portfolio on behalf of and at the risk of the customers amounting to B/.2,659,574,179 (2022: B/.2,447,553,210). Considering the nature of these services, Management considers there is no risk for the Company.

19. Main Applicable Laws and Regulations

Securities Law in Panama

The stock market in the Republic of Panama is regulated by Decree Law No. 1 of July 8, 1999, which has been amended by Law No. 67 of September 1, 2011 that establishes the coordination and inter-institutional cooperation system between the entities of financial inspection and creates the Superintendency of the Securities Market of Panama.

Compliance with the Regulatory Entity

On September 18, 2013, the Superintendency of the Securities Market of Panama issued Agreement 8-2013, by which certain provisions of Agreement 4-2011 of June 27, 2011 were modified on the capital adequacy, solvency ratio, capital fund, liquidity ratio and risk concentrations that securities houses should address, regulated by the Superintendency of the Securities Market of Panama.

Capital adequacy

Below is a description on the rules amended in Agreement No.8-2013 of the Superintendency of Securities Market of Panama and the ratios for each of these provisions:

- Total minimum capital required: Brokerage firms will have to constitute and maintain a total minimum capital of B/.350,000 free of taxes, at all times.

- Additional capital request: Article 4-A of Agreement 8-2013 establishes that all brokerage firms offering management services for custody accounts, physically or through a third party, will have to comply with the requirement provided in said agreement. As at June 30, 2023, the Company maintains the minimum required capital.

- Capital adequacy ratio: Brokerage firms must maintain at all times a minimum capital adequacy ratio of eight per cent (8%) of the totality of its assets and off-balance operations weighted in relation to their risks. Those clients' accounts are not included within the calculation of the capital adequacy ratio or of third parties who must be duly separated from the equity of the brokerage firm.

- Liquidity ratio: It is needed to maintain a volume of low-risk investments at all times and highly liquid assets that will be, at least, thirty per cent (30%) of the totality of its expected liabilities with a residual term lower than one year.

- Credit risk concentrations: the risks sustained by a brokerage firm regarding an issuer, individual client or a group of issuers or clients related among themselves, will be considered as a concentration situation when the accrued value of these risks exceeds ten per cent (10%) of the entire value of its equity funds.

Due to the nature of the transactions and services rendered by the Company, Management believes there are no risks of credit risk concentration.

As established by the regulatory scheme, capital requirements are measured as follows:

	At year-end	Minimum for the year		Maximum for the year	
2023	**Value**	**Value**	**Date**	**Value**	**Date**
Capital funds	5,518,135	4,779,066	April, 21	19,275,446	July, 14
Liquidity ratio	399.73%	45.89%	January, 30	2863.12%	April, 3
Solvency ratio	162.59%	91.63%	December, 29	895.82%	July, 14

	At year-end	Minimum for the year		Maximum for the year	
2022	**Value**	**Value**	**Date**	**Value**	**Date**
Capital funds	19,133,741	15,487,396	April, 29	26,503,175	September, 30
Liquidity ratio	1122.64%	1122.64%	June, 30	11051.05%	October, 27
Solvency ratio	867.73%	358.07%	September, 3	3327.62%	November, 25

- Capital Funds: Capital funds will consist of the sum of the primary and secondary capital. The primary capital consists of the sum of paid-in and subscribed capital, capital reserves declared, the first placement of shares and (net) accumulated earnings and from which are deducted net and ongoing loss carryforwards, intangible and deferred assets, property, plant and equipment (net of depreciation), the adjusted cost of capital investments, financings granted to third parties, accounts receivable to partners or shareholders and related companies, as well as assets classified as “other assets” within the balance sheet. The secondary capital shall consist of subordinated financings provided they do not exceed fifty percent (50%) of the value of primary capital, financings of undetermined duration, and bonds mandatorily converted into shares.

	2023	2022
Primary capital		
Common shares	500,000	500,000
Additional capital paid	4,800,000	4,800,000
Retained earnings	6,703,796	19,106,712
Complementary tax	75,980	261,721
Total primary capital	12,079,776	24,668,433
Less:		
Value of intangible and deferred assets	(6,517,018)	(5,473,428)
Latinex Holding, Inc.	(44,623)	(44,623)
Total deductions from primary capital	(6,561,641)	(5,518,051)
Primary capital, net of deductions	5,518,135	19,150,382
Total capital funds	5,518,135	19,150,382

Customers' investment accounts

In compliance with the Agreement 3-2015 of the Superintendency of Securities Market, the following information is presented below:

a. Managed amount in customer accounts:

2023	**Amount**	**Market value**
Securities in local custody	1,220,419,468	1,683,100,693
Securities in international custody	1,035,900,061	976,473,486
	2,256,319,529	2,659,574,179

2022	**Amount**	**Market value**
Securities in local custody	1,165,179,197	1,544,600,092
Securities in international custody	1,105,552,359	902,953,117
	2,270,731,556	2,447,553,209

Market value corresponds to the securities reported by the custodians.

b. Information per activity according to the licenses granted to the Company:

2023	Brokerage firm	Management	Total
Operation income:	6,472,935	4,452,668	10,925,603
Demostic	3,588,822	4,452,668	8,041,490
Foreign	2,884,113	-	2,884,113
Interest and commisions expenses	(912,631)	(627,789)	(1,540,420)
Operating expenses	(2,058,079)	(1,415,732)	(3,473,811)
Profit before income tax expense	3,502,225	2,409,148	5,911,372
Cash and bank deposits	3,038,429	2,090,105	5,128,534
Time deposits	8,906,921	6,126,983	15,033,904
Financial assets measured at fair value thriugh other comprehensive income	687,343	472,817	1,160,160
Investment in subsidiaries	148,114	101,886	250,000
Intangible assets and goodwill	2,013,749	1,385,238	3,398,987
Other assets	1,409,147	969,338	2,378,485
Total assets	16,203,703	11,146,367	27,350,070
Loans received	8,899,559	6,121,919	15,021,478
Other accounts payable	207,468	142,716	350,184
Total liabilities	9,107,027	6,264,635	15,371,662
Common shared	296,228	203,772	500,000
Additional paid capital	2,843,787	1,956,213	4,800,000
Net changes in other comprehensive income	(15,041)	(10,347)	(25,388)
Retained earnings	3,971,702	2,732,094	6,703,796
Total Equity	7,096,676	4,881,732	11,978,408

2022	Brokerage Firm	Management	Total
Operating income:	7,848,875	4,398,544	12,247,419
Demostic	5,373,762	4,398,544	9,772,306
Foreign	2,475,113	-	2,475,113
Interest and commisions expenses	(1,122,681)	(629,156)	(1,751,836)
Operating expenses	(2,210,526)	(1,238,789)	(3,449,315)
Profir before income tax expense	4,515,668	2,530,599	7,046,267
Cash and bank deposits	2,145,005	1,202,071	3,347,076
Time deposits	9,634,620	5,399,284	15,033,904
Financial assets measured at fair value through other comprehensive income	749,581	420,068	1,169,649
Investment in subsidiaries	176,236	98,764	275,000
Intangible assets and goodwill	2,168,108	1,215,018	3,383,126
Other assets	1,322,600	741,191	2,063,791
Total assets	16,196,150	9,076,396	25,272,546
Other accounts payable	565,066	316,665	881,731
Total liabilities	565,066	316,665	881,731
Common shared	320,430	179,570	500,000
Additional paid capital	3,076,126	1,723,874	4,800,000
Net changes in other comprehensive income	(10,189)	(5,710)	(15,898)
Retained earnings	12,244,718	6,861,994	19,106,712
Total Equity	15,631,085	8,759,729	24,390,814

20. Subsequent Events

The Company has assessed subsequent events as at June 30, 2023, to evaluate the need for possible recognition or disclosure in the accompanying financial statements. Such events were assessed up until September 5, 2023, the date in which these financial statements were made available for issuance. Based on this assessment, it was determined that no subsequent events occurred that require acknowledgement or disclosure in the financial statements.