Annual Report
LOM Financial Group

2022

Contents

Section 01

Shareholder's Report

LOM is pleased to report full year 2022 profits of $1,883,951 or $0.37 per share. This decrease from the profit declared in 2021 is due to the extraordinary $7.1 million gain on securities in the 2021 financial year not being repeated. Outside of the extraordinary gain and losses in both years, our underlying operating profits between 2021 and 2022 rose 7% year on year from $2,326,110 to $2,482,615. Given the significant weakness in the global stock and bond markets during 2022 we are pleased with the result.

Management Fee Revenue **$7,114,375** -1% ▼	Broking Fee Revenue **$8,229,851** +10% ▲	Foreign Exchange Revenue **$523,371** -30% ▼
Total Revenue **$18,281,932** -25% ▼	Employee Compensation Costs **$4,814,327** +4% ▲	Commission and Referral Fees **$5,827,953** +2% ▲
Total Operating Expenses **$16,352,055** +9% ▲	Assets Under Administration **$1.25 billion** -23% ▼	Total Shareholders' Equity **$34,651,580** +3% ▲

Revenues had the following year-on-year changes:

- Management and advisory fee revenues were flat at $7.114 million (39% of revenues).
- Broking fees rose 10% to $8.2 million (45% of revenues).
- Net interest earnings rose 202% to $1.673 million (9% of revenues).
- Foreign Exchange revenues fell 30% to $523,371
- Gain on securities held in inventory showed a loss of $598,664.
- Total revenues fell 25% to $18,281,932.

Costs for the group had the following year-on-year changes:

- Employee compensation costs rose 3.6% to $4.814 million.
- Commission and referral fees rose 2% to $5.828 million.
- Total operating costs rose 9% to $16.352 million.

On other financial measures:

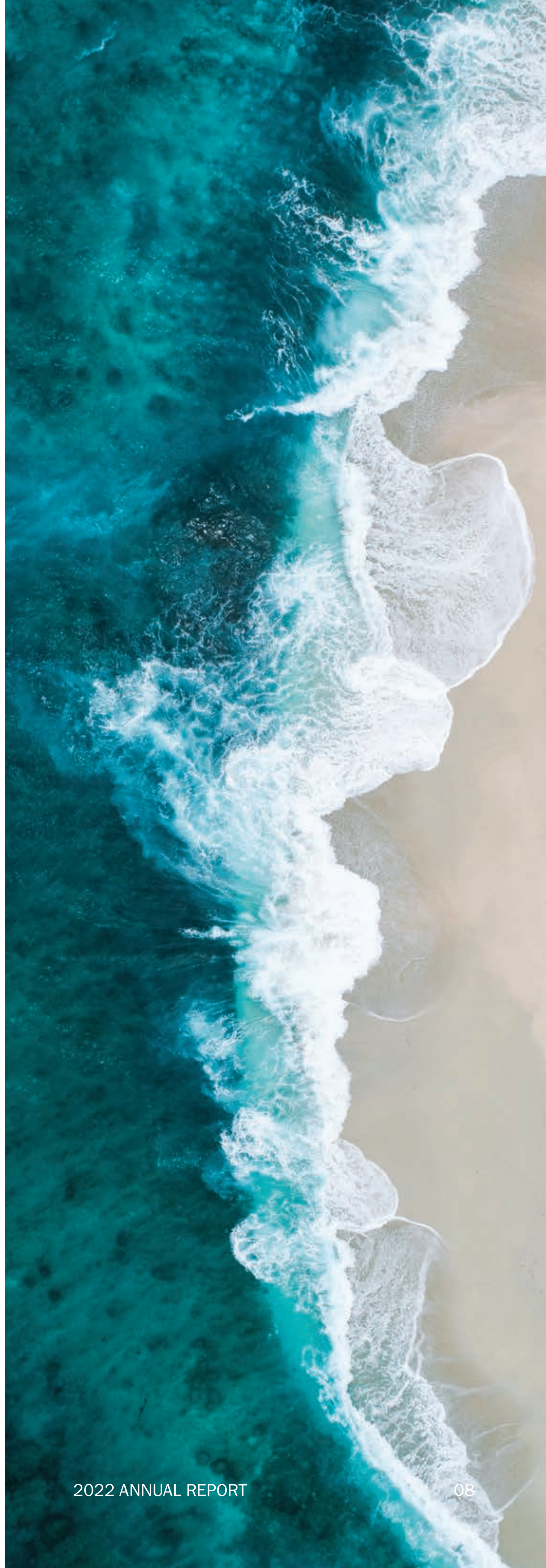
- LOM's assets under administration were $1.25 billion as of 31st December 2022 as compared to $1.62 billion at the end of 2021.
- LOM's fully diluted net income per common share was $0.37
- LOM is in a strong financial position with net equity of $34.652 million.
- LOM had a net return on equity of 5.4% in 2022.
- LOM held cash and cash equivalents at year-end of $15.787 million, representing 46% of shareholder equity.
- LOM's book value as at 31st December 2022 was $6.86 per share.

2022 proved a very challenging year for investors and the industry that serves them. The rapid rise of inflationary pressures due to pent up demand, throughout the world's economies, from the ending Covid lockdowns was tremendously exacerbated by the Russian invasion of Ukraine in February 2022. Both core and headline inflation around the world rose rapidly, and central banks were forced to reverse their ultra-loose monetary policy in an attempt to slow economic activity and price rises.

Throughout the year, the U.S. Federal Reserve, followed by the European Central Bank, the Bank of England and other central banks (except the Bank of Japan) significantly raised short term interest rates and reversed their quantitative stimulus (i.e., buying bonds in the market to keep longer term interest rates low) into quantitative tightening (not buying bonds and allowing their balance sheet to shrink by having the bonds mature, or selling them allowing longer term interest rates to rise). The result for the markets was significant. Both equity and bond investors suffered one of the worse years in history, in terms of losses.

The U.S. market as measured by the S&P 500 fell 19.4% in 2022, the Canadian market as measured by the TSX fell 8.7%, Europe as measured by the Euro 50 index fell 11.7%, the UK as measured by the FTSE100 actually rose 1%, and the Japanese market as measured by the Nikkei 225 fell 9.4%. The Chinese market declined 21.6% over the year, as measured by the CS300.

The traditional haven of fixed income did not fare significantly better. As measured by the ICE BofA 3–5-year index, government bonds by fell 7.9% in the US, 7.9% in the UK and 9.9% in Europe. Corporate bonds performed worse, as did high yield bonds.



The markets have been left in a schizophrenic mindset, one moment convinced that we are about to enter a 1970 wage-price spiral, and the other moment convinced that the interest rate tightening we have witnessed over the last year will create a severe economic recession. As we have said before, we do not believe that we are entering into a wage-price spiral similar to that which we saw in the 1970s. Though central banks were slow to see the dangers of inflation emerging, they have now tightened considerably and we should start to see the easing of inflationary pressures over the coming year.

However, it is likely that due to the rising trade tensions with China and the need for countries to have assured supplies, we will see inflation remain higher than it otherwise would have been in a world of completely free trade. Therefore, though we see interest rates peaking this year, we believe that rates will stay higher for longer than is generally foreseen at this time.

We are likely to see range-traded markets over the next years as valuations adjust to the paradigm shift that has occurred in international relations between the world's major trading blocs.

LOM's overriding objective is to serve our clients in looking after and growing their wealth to the best of our ability. We strive to do this by giving them clear and unbiased advice, and efficient and excellent service. Additionally, we seek to expand the Company into new areas to meet our clients' current and future needs.

We are gently expanding our number of employees, bringing in additional professionals to serve our clients. Being a small company, it is important that our new hires fit into the culture of our company. We strive to have our employees be the best they possibly can be in their roles and to widen their knowledge base. LOM is an inclusive company, we aim to have our staff enjoy coming to work to interact with each other, our counterparties and our clients.

In terms of the wider offshore industry in which we operate, our market scale is small and yet the compliance and regulatory environment is necessarily set at an international level. The challenge for our Company and our industry is to be able to meet the highest international compliance standards when our scale of revenues means that the cost of doing so is a significant percentage of our overall costs.

SCOTT LINES, LOM CHAIRMAN & CEO

The jurisdictions in which we operate have a limited number of residents and thus a limited number of investors, as a result we can only widen our scale of customers in three ways; slowly through organic growth, quickly by acquisition or very expensively by establishing a subsidiary or branch in a new jurisdiction. Given the reality of how long and expensive it is to grow organically, it is more feasible for the Company to grow through acquisition at the current time.

LOM recognizes its responsibility to the communities and the world in which we operate. Over the past several weeks in Bermuda, like many other people, I have been fortunate enough not only to go offshore to see the magnificent humpback whales in Bermuda's waters, but have had the pleasure of taking out guests on my boat to experience whales up close for the first time. I receive sincere enjoyment from watching the reaction of people young and old when they see these amazing mammals up close. It truly brings out sheer joy in them. As my 13 year old son remarked, "they are magical".

At LOM we must continue to do our bit to protect our oceans and are pleased to continue to support The Humpback Whale Project, and our other marine conservation charities. We were also pleased to learn that our support for BREEF in the Bahamas has seen their Staghorn corals grow over 30 cm in the last year. A small company like LOM is not able to change anything ourselves, however we can make a push in the right direction.

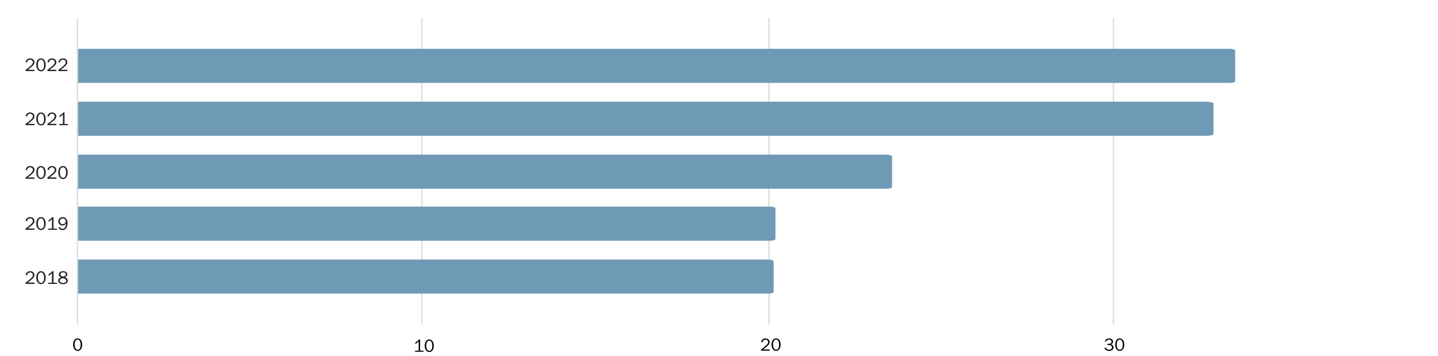
Within this report you will find a table outlining our financial metrics, in addition to our audited financials, and a report on our environmental support efforts.

As always, I would like to express gratitude to our clients, our staff and everyone who works together to deliver the extremely high service that is the hallmark of LOM.

Kind regards,

SCOTT LINES
CHAIRMAN & CEO

Shareholder's 5 Year Equity Growth (in Millions)



Section 02

Ocean Conservation

At LOM we contribute annually to non-profits making a difference to education and ocean conservation. It is a commitment that is embedded in the spirit of our brand. Our oceans are the largest ecosystem on our planet, supporting all forms of life and absorbing nearly a third of our carbon emissions.

Non-profits & projects we support

Bermuda Zoological Society (BZS)
Trunk Island: The Living Classroom

Over the last 5 years LOM has donated $50,000 to the restoration of Trunk Island, the home of The Living Classroom. An immersive education experience for Bermuda's youth, The Living Classroom has reached over 9,200 students since its inception. Trunk Island provides an opportunity for students to develop a deeper understanding of Bermuda's ecosystems, encouraging them to become advocates for conservation.

In 2022 the LOM team volunteered their time on Trunk Island planting mangroves and clearing invasive species to make room for a nursery.

BZS's Impact

50%

Of Trunk Island Restored

1004

Native and endemic plants

50+

Longtail nests occupied

9,200+

Students educated

The Humpback Whale Project

The Humpback Whale Film & Research Project was started in 2007 by Andrew Stevenson to study humpbacks as they migrate past Bermuda. The findings obtained during the whales' mid-ocean crossing are shared with marine biologists from around the world. Scientists believe this window into the migratory lives of humpbacks is essential to ensure the survival of whales in our shared regions.

LOM's donations have contributed towards the ongoing development of a database that encapsulates the total history of humpback whale sightings and fluke descriptions since 2007. This new digital asset has made it possible to conduct analyses and interrogate our sightings history in a variety of novel ways, facilitating new learnings and improving data quality of the nearly 3,000 sightings of 2,000 individual humpback whales made over the last 17 years.

BREEF

BREEF is an important part of the conservation and education on marine ecosystems in The Bahamas and the world. From providing on-the-ground instruction for Bahamians to be stewards of the environment and advocating for strong policy, to actively restoring reef habitat and representing the region internationally, BREEF has a successful multi-pronged approach to protecting the marine environment.

In 2022 LOM sponsored the restoration of coral reefs in the southwest side of New Providence in The Bahamas. The endangered Staghorn corals are thriving and have grown 30cm in the last year. Coral reefs around the world are under serious threat, BREEF is working to mitigate their decline by restoring local habitats through the creation of coral nurseries.

The Guy Harvey Foundation

The Guy Harvey Foundation collaborates with local and international organizations to conduct scientific research and host educational programs aimed at better understanding and conserving the ocean environment.

LOM's 2022 contributions went towards a number of positive initiatives including a bi-annual stingray survey which helps to monitor fluctuations in population and the overall health of the animals. Stingrays, skates and sharks are fully protected in Cayman Island waters. The foundation is also working on an innovative educational website for young kids, with a focus on ocean conservation that can be accessed by teachers and students worldwide.

Marine Conservation Society

The Marine Conservation Society is working towards a cleaner, better-protected, healthier ocean — one that can protect us all against climate change and sustain a diverse array of species. The organisation is determined to tackle the ocean crisis by working with communities, businesses and governments.

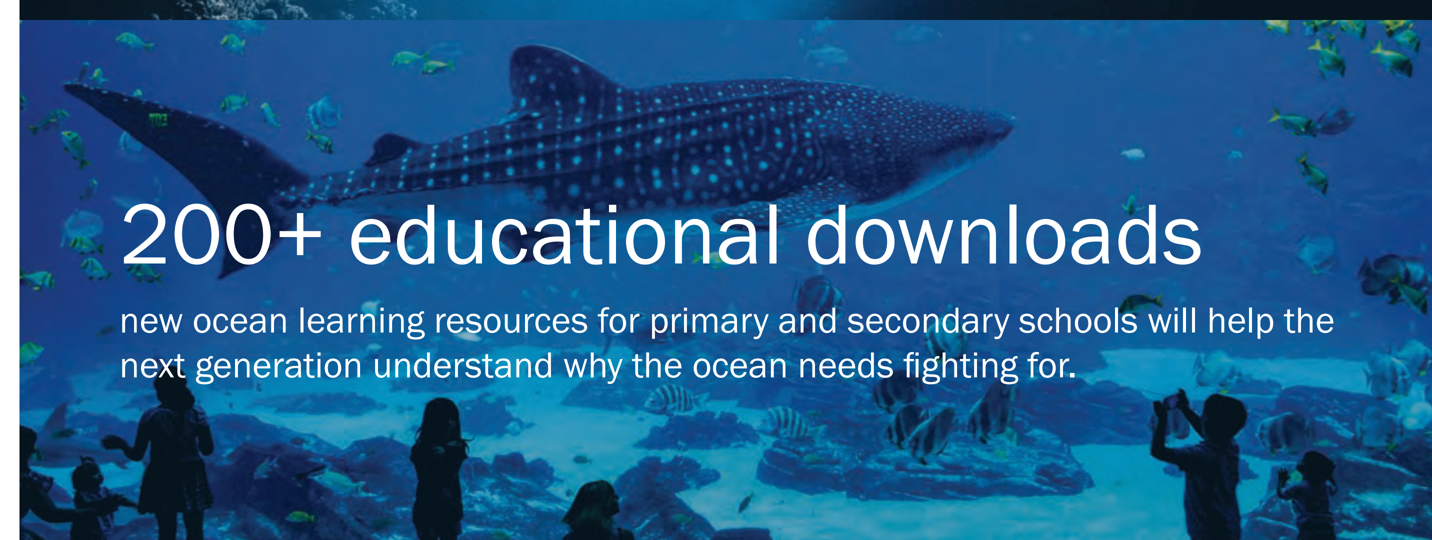
In 2022 LOM's donations helped contribute towards a number of success stories including:

20+ new alliances & partnerships

educating business and industry on the importance of our ocean and how to invest and act responsibly.

Training 200+ volunteer divers

to collect information about underwater marine habitats, plants, and animals. This data helps experts make informed decisions about marine protection and regulatory measures.



200+ educational downloads

new ocean learning resources for primary and secondary schools will help the next generation understand why the ocean needs fighting for.

Section 03

Board of Directors

LOM is majority owned by the Lines family, a Bermudian family who trace their roots on the island back for many generations. Donald P. Lines, the family patriarch, originally served as Chairman of the LOM Group from its founding in 1992 until retiring in 2014.

Donald Lines was respected at the highest levels in international finance and banking. He is credited as one of the architects of Bermuda's development into a prosperous global financial centre.

Scott Lines
Chairman and Chief Executive Officer

Scott Lines is responsible for the overall management of the LOM Financial Group. Prior to co-founding LOM in 1992, Scott worked for The Bank of Bermuda Limited in fund management. Scott is a graduate of the University of Toronto, with a B.A. in Economics and over 35 years of experience in the global financial markets. In addition to his duties on LOM's Board, Scott serves as Chairman of Bermuda Management Holdings Limited and Auto Solutions Limited as well as Director of St. George's Group, Masters Limited and Queen Street Holdings Limited.

Horst E. Finkbeiner, II, M.S.c.,MIoD, MICA, Cdir
Independent Director, Audit Committee Chairman

Horst Finkbeiner has 30 years of experience in the financial services industry. Horst currently serves as Director of Operations with Creaghan McConnell Group Ltd in Toronto, which provides specialized financial advice and services to ultra-high net worth business families. Previously, Horst has served as the Chief Operating Officer of Bermuda Commercial Bank Limited, and prior to that as its Chief Compliance Officer. Horst has been a non-executive Director of LOM Financial Limited and its Bermuda-regulated subsidiaries since April 2014 and is the chairman of the Audit Committee. Horst served as a trustee of the Bermuda High School and chair of the Strategy and Advancement committees. Horst is a Fellow of the Institute of Directors (IoD) in London UK and of the International Compliance Association - becoming the first Bermudian to receive the IoD's Chartered Director designation in Bermuda in 2012.

Maxwell L.H. Quin, LL.B.
Independent Director

Maxwell Quin is an attorney, having received his Bachelor of Law degree from the University of London in 1972. He is currently a consultant with Wakefield Quin Limited; having previously been the proprietor of M.L.H. Quin & Co. Max is a director of various international companies both in Bermuda and abroad for certain investment funds and has extensive experience in international corporate law. Prior to Bermuda, Max practiced as a tax barrister in London, worked in the Middle East and was also a banker in the United Kingdom.

Glen C. Smith, JP
Independent Director

Glen Smith is a successful Bermudian businessman and entrepreneur. Glen is currently the managing director of Auto Solutions, Bermuda's largest auto dealer and has previously launched and sold 11 other successful Bermuda businesses. Elected as a member of the Bermuda Parliament in 2012, Glen served until 2017. Glen has previously served as the Deputy Mayor of the City of Hamilton, the capital of Bermuda and as a director of several Bermuda companies. Glen's community involvement includes serving as a Trustee of The Reading Clinic, a Trustee of Somersfield Academy, a Member of the Ports Authority Board, a member of the Advisory Board for The Bermuda Fire and Rescue Service, a Constable with the Bermuda Police Reserves and has been a Justice of the Peace since 2001.

Board of Directors

Robert J. Cooney
Independent Director, Audit Committee Member

Robert Cooney is an Executive Director of Auréo Capital Ltd. Prior to Auréo Capital, Robert held several high-level positions in the Bermuda insurance/reinsurance sector including Managing Director of Capital Markets for AON Re Global; Chairman, President & CEO of Max Capital Ltd. (now Alterra Capital); President & CEO of XL Insurance Ltd.; President & CEO of Trenwick Services Bermuda Ltd.; Partner of Wypich Illsley and Underwriter at General Reinsurance Ltd. Robert holds an MBA in Finance from Queen's University and a BS in Geology from Mt. Allison University.

Dennis G. Tucker, JP
Independent Director

Dennis Tucker has had a distinguished career within the Bermuda hotel industry, as well as serving in important public and charitable roles. Dennis is a Councillor for the City of Hamilton, appointed to the Bermuda Casino Gaming Commission in 2015, and a board member of the Bank of Bermuda Foundation, Bermuda's largest philanthropic organisation. Dennis currently serves as the CEO and Secretary to the Board of Trustees of the Hotel Pension Trust Fund. He joined the Sonesta Beach Resort in 1976 as a Chief Accountant, and by the late 1980s had become the Resort's Hotel Manager. In 1998 he was appointed as the Managing Director of the Resort, a position he held until 2003. During his hotel career, Dennis also participated in industry-wide functions serving in multiple positions for the Bermuda Employers Council and the Bermuda Hotel Association. In government, he has distinguished himself by serving on such bodies as the Premier's Task Force on Employment, on committees for the Department of Tourism, advising the Ministry of Finance, and serving in the Bermuda Senate. In 2019, Dennis was appointed a Member of the Most Excellent Order of the British Empire for services to the community.

Craig D. Lines
President, LOM Financial (Bahamas) Ltd.

Craig Lines oversees the Group's international operations and is based in our Nassau, Bahamas office. Prior to joining LOM in 1997, Craig worked in trading and corporate finance at Canaccord (Genuity) Capital and in operations and risk control at Everest Capital Limited, an institutional hedge fund manager. Craig serves as a Director on a number of private holding and operating companies in addition to LOM's Board.

Leslie Rans, CPA
Independent Director, Audit Committee Member

Leslie has extensive experience in both financial and operating environments with a strong focus on corporate governance and improving financial reporting and compliance. For the majority of her career, she has worked for publicly listed companies on the London and Bermuda stock exchanges. Currently serving as the Chief Operating and Financial Officer at Ocean Wilsons Holdings Limited (an LSE listed Bermuda based investment holding company), Leslie has previously held senior executive positions at Digicel Bermuda Limited, BAS Limited, One Communications Ltd and The Bank of Bermuda. She currently sits as a Director and Chair of the Audit Committee of the Board of BAS Limited.

Management Team

Scott Lines
Chairman and Chief Executive Officer

Scott Hill
Executive Vice President and Managing Director

Malcolm Moseley, ACMA
Executive Vice President and Chief Financial Officer

Craig D. Lines
President, LOM Financial (Bahamas) Ltd.

Bryan Dooley, CFA
Chief Investment Officer, LOM Asset Management

Sue Couper
General Manager, LOM Asset Management

Cornell Bean
Head of Trading, Global Custody & Clearing Limited

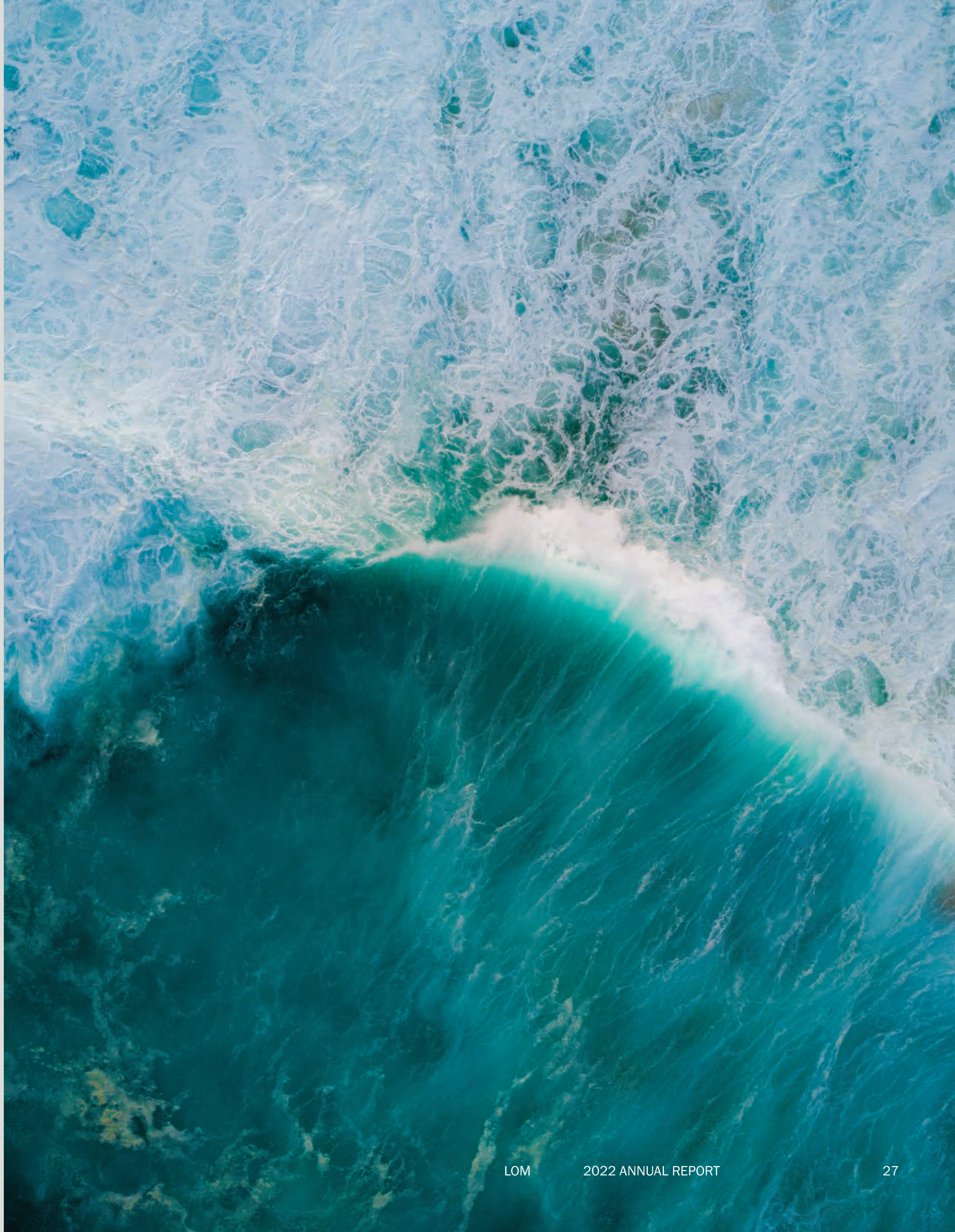
Cheryl Watts BSc (Hons), FICA, CAMS
Group Head of Compliance

Michael Greaves
Global Head of Sales, LOM Financial (Bermuda) Ltd

Zina Jacobs
Head of Operations, Global Custody and Clearing

Justin Cornell
Group Chief Information Officer

Trey Sanders
Global Head of Human Resources



Section 04

Financial Facts

(Amounts in thousands of US dollars, except net income per common share and financial ratios)

	2022	2021	2020	2019	2018
Net revenue-interest income	1,672	553	832	1,655	1,402
Fees and other income	16,609	23,941	16,776	11,324	12,760
Operating revenue	18,282	24,493	17,608	12,979	14,161
Operating expenses incl. tax	16,398	15,026	12,812	11,718	12,084
Net income after tax	1,884	9,468	4,796	1,261	2,077
Net income per common share (Basic & diluted)	$0.37	$ 1.83	$ 0.90	$ 0.22	$ 0.35
Cash, cash equivalents and restricted cash	16,007	18,508	8,712	5,280	6,213
Securities owned	6,994	4,902	5,467	4,963	4,654
Property and equipment, net	9,866	8,682	8,168	8,522	8,739
Total assets	36,307	34,956	25,297	21,432	21,970
Total liabilities	1,655	1,411	990	1,066	1,710
Shareholders' equity	34,652	33,545	24,308	20,366	20,260
Number of issued common shares	5,054	5,164	5,204	5,492	5,887
Cash dividend paid	204	103	54	59	59
Cash dividend paid per share	4 Cents	2 Cents	1 Cent	1 Cent	1 Cent
Directors and executives Shareholdings (in number of shares owned)	3,056	3,011	2,999	2,985	2,966
Financial ratios - As of December 31					
Cash ratio	11.4	13.1	8.8	5.0	3.6
Debt-to-equity ratio	4.8%	4.2%	4.1%	5.2%	8.4%
Return on equity	5.4%	28.2%	19.7%	6.2%	10.3%
Return on assets	5.2%	27.1%	19.0%	5.8%	9.5%

Financial Report

Consolidated Financial Statements and Independent Auditors Report for the years ended December 31, 2022 and 2021.

Independent Auditors Report

Deloitte.

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To the Board of Directors and Shareholders of
LOM Financial Limited:

Opinion
We have audited the consolidated financial statements of LOM Financial Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, shareholders' equity, and cash flows, for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 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 Opinion
We conducted our audits in accordance with auditing 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 audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 for a period of one year after the date that the financial statements are 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.

Deloitte Ltd.
April 24, 2023

Consolidated Balance Sheets

As of December 31, 2022 and 2021 (expressed in U.S. Dollars)

	2022	2021
Assets		
Cash and cash equivalents	15,787,158	18,315,796
Restricted cash	220,000	192,500
Securities owned, at fair value (cost: 2022 - $7,601,305; 2021 - $4,673,736) (Note 3)	6,993,989	4,902,156
Accounts receivable	838,339	1,050,537
Due from related parties	69,004	60,360
Prepaid expenses and other assets	413,927	222,031
Equity investment in affiliate (Note 4)	1,685,263	1,507,795
Property and equipment, net (Note 5)	9,866,231	8,681,756
Deferred tax asset	-	22,845
Right-of-use asset (Note 11)	432,934	-
Total Assets	**36,306,845**	**34,955,776**
Liabilities		
Accounts payable and accrued liabilities	1,196,699	1,259,678
Securities sold short, at fair value (proceeds: 2022 - $30,497, 2021 - $3,504) (Note 3)	30,497	3,504
Bank loan (Note 10)	-	147,500
Deferred tax liability	10,214	-
Lease liability (Note 11)	417,855	-
Total Liabilities	**1,655,265**	**1,410,682**
Shareholders' Equity		
Common shares, par value $0.10 per share; 20,000,000 shares authorized, and 5,053,698; (2021 –5,163,698) shares issued and outstanding (Note 6)	505,370	516,370
Additional paid-in capital	181,906	743,907
Retained earnings	33,964,304	32,284,817
Total Shareholders' Equity	**34,651,580**	**33,545,094**
Total Liabilities and Shareholders' Equity	**36,306,845**	**34,955,776**

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

Approved by the Board of Directors

Director

Director

Consolidated Statements of Operations

For the years ended December 31, 2022 and 2021 (expressed in U.S. Dollars)

	2022	2021
Revenues		
Broking fee income	8,229,851	7,505,575
Management and investment advisory fees including related party management fees of $3,214,691 (2021 - $3,194,307)	7,114,375	7,164,421
Net interest income, net of interest expense of $203,720 (2021 - $154,737)	1,672,553	553,135
Rental income, including related party rent of $202,400 (2021 - $202,400)	446,309	526,768
Other income	468,354	433,864
Income from equity investment in affiliate	262,909	156,900
Foreign exchange income, net	523,371	752,874
Net trading gains/(losses) on securities owned	(598,664)	7,141,405
Corporate finance income	26,000	46,814
Administration and custody fees	136,874	211,728
Total Revenues	**18,281,932**	**24,493,484**
Operating Expenses		
Employee compensation and benefits	4,814,327	4,647,610
Commissions and referral fees	5,827,953	5,699,135
Computer and information services	734,557	727,513
Depreciation of property and equipment (Note 5)	428,365	419,927
Jitney fees	1,512,613	846,295
Professional fees	753,766	692,213
Occupancy	848,346	813,158
Administration	630,754	798,017
Insurance	231,154	199,722
Custodial charges	333,802	340,347
Mortgage interest	5,927	8,937
Net foreign exchange transaction losses/(gains)	230,491	(179,712)
Total Operating Expenses	**16,352,055**	**15,013,162**
Net Income Before Tax	**1,929,877**	**9,480,322**
Income tax expense	(45,926)	(12,807)
Net Income After Tax	**1,883,951**	**9,467,515**
Net Income Per Common Share		
Basic and diluted	$ 0.37	$ 1.83
Weighted Average Common Shares Outstanding		
Basic and diluted	5,107,545	5,166,109

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

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2022 and 2021 (expressed in U.S. Dollars)

	Common Shares	Share Capital	Additional Paid-In Capital	Retained Earnings	Total
December 31, 2020					
Balance	5,203,698	520,370	866,907	22,920,576	24,307,853
Net Income	-	-	-	9,467,515	9,467,515
Repurchase and Retirement of Common Shares	(40,000)	(4,000)	(123,000)	-	(127,000)
Dividend	-	-	-	(103,274)	(103,274)
December 31, 2021					
Balance	5,163,698	516,370	743,907	32,284,817	33,545,094
Net Income	-	-	-	1,883,951	1,883,951
Repurchase and Retirement of Common Shares	(110,000)	(11,000)	(562,001)	-	(573,001)
Dividend	-	-	-	(204,464)	(204,464)
December 31, 2022					
Balance	5,053,698	505,370	181,906	33,964,304	34,651,580

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Net income	1,883,951	9,467,515
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation of property and equipment	428,268	419,927
Income from equity investment in affiliate	(262,909)	(156,900)
Dividends received from equity investment in affiliate	207,825	255,501
Changes in Operating Assets and Liabilities		
Securities owned	(2,091,833)	564,518
Accounts receivable	212,198	(205,786)
Due from related parties	(8,644)	(14,179)
Prepaid expenses and other assets	(191,896)	209,374
Accounts payable and accrued liabilities	(62,979)	511,930
Securities sold short, at fair value	26,993	(773)
Charge (benefit) for deferred taxes	33,059	(422)
Right-of-use asset	(432,934)	-
Lease liability	417,855	-
Total Adjustments	**(1,724,997)**	**1,583,190**
Net Cash Provided by Operating Activities	**158,954**	**11,050,705**
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,612,743)	(933,677)
Investment in equityinvestment	(122,384)	-
Net Cash Provided by Investing Activities	**(1,735,127)**	**(933,677)**
Cash Flows from Financing Activities		
Repurchase of common shares	(573,001)	(127,000)
Dividend paid	(204,464)	(103,274)
Bank loan, net of repayments	(147,500)	(90,000)
Net Cash Used in Financing Activities	**(924,965)**	**(320,274)**
Net Decrease in Cash and Cash Equivalents	(2,501,138)	9,796,754
Cash and Cash Equivalents, Beginning of Year	18,508,296	8,711,542
Cash and Cash Equivalents, End of Year	**16,007,158**	**18,508,296**
Cash and Cash Equivalents Represented By		
Cash	15,787,158	18,315,796
Restricted Cash	220,000	192,500
Total	**16,007,158**	**18,508,296**
Supplemental Disclosure of Cash Flow Information		
Interest Paid	203,720	154,737

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

Notes to Consolidated Statements

December 31, 2022 and 2021 (expressed in U.S. Dollars)

1. DESCRIPTION OF BUSINESS

LOM Financial Limited ("LOMFL"), a holding company for several wholly owned subsidiaries, was incorporated on May 1, 1996 under the laws of Bermuda. The common shares of LOMFL are publicly traded and listed on the Bermuda Stock Exchange. LOMFL, collectively, with its subsidiaries, is referred to as the "Company" or the "LOM Group of Companies."

A description of the operations of LOMFL's wholly-owned subsidiaries is as follows:

LOM Financial (Bermuda) Limited ("LOMF BDA") was incorporated in 1998 to provide investment and financial advice, brokerage services and discretionary investment management services. LOMF BDA is domiciled and operates in Bermuda and is regulated under the Investment Business Act (2003) of Bermuda. LOMF BDA opened a branch office in Grand Cayman in January 2019, LOM Financial Cayman ("LOMF CAY"). LOMF CAY is approved by the Cayman Islands Monetary Authority ("CIMA") to operate as a "Registered Person" under the Securities Industry Business Law ("SIBL"), pursuant to Paragraph 3 of Schedule 4 (2020 Revision) of the law. Prior to January 2020, the branch operated as an "Excluded Person". As a Registered Person, LOM is not licensed by CIMA and therefore not subject to the SIBL regulations; however, its Registered Person status must be approved by CIMA annually. LOMF CAY is regulated by the Bermuda Monetary Authority and comes under LOMF BDA's investment business license.

LOM Financial (Bahamas) Limited ("LOMF BAH") was incorporated in 2001 in the Commonwealth of The Bahamas and is regulated by the Securities Commission of the Bahamas. LOMF BAH is domiciled in the Bahamas and is engaged in a single line of business as a Bahamian broker-dealer, which comprises several classes of service, including principal transactions, agency transactions and the provision of investment advisory services.

LOM Asset Management Limited was incorporated in 1995 to offer its services as investment consultant, manager and advisor. LOM Asset Management Limited is domiciled and operates in Bermuda and is regulated under the Investment Business Act (2003) of Bermuda.

Global Custody & Clearing Limited ("GCCL") was incorporated in 1992, to provide custody, settlement, information technology and execution services as well as certain finance, human resources and administrative services to other companies in the LOM Group of Companies. GCCL operates in Bermuda and is regulated under the Investment Business Act (2003) of Bermuda.

LOM Properties Limited was incorporated in 1996 to hold property for LOMFL in Bermuda and Bahamas.

LOM Corporate Finance Ltd. ("LOMCF") was incorporated in 1998 to offer services to source, value, document and close capital investments in growing companies. LOMCF is domiciled and operates in Bermuda.

Donald & Co. Limited, a Bermuda company, was incorporated in 2013 to perform nominee services.

LOM Nominees Limited, a Bermuda company, was incorporated in 1994 to perform nominee services.

LOM (UK) Limited was incorporated in the United Kingdom in 2004 to market the LOM Group of Companies services to intermediaries in Europe. It also provides IT, Marketing and Administration services to the LOM Group of Companies.

LOM Global Admin Inc. was incorporated in the Philippines in 2016 to provide the group with marketing support in Asia. The Company is registered with the Philippines Securities and Exchange Commission.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the financial statements and results of operations of all wholly-owned subsidiaries listed in Note 1 above. All inter-company balances and transactions are eliminated on consolidation.

Broking Fee Income and Jitney Fees

Broking fee income represents amounts charged to clients for brokerage services and related jitney fees are amounts charged to the Company by the executing broker. Revenue and expenses related to brokerage services is recognized when the customer obtains the benefit of such services, at the time of trade execution.

Management and Investment Advisory Fees

The LOM Group of Companies receives management fees and investment advisory fees for managing assets on a discretionary basis for both private and institutional clients. Revenue from contracts with customers related to management fee, is recognized over time as customers benefit from the services as they are performed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Substantially all investment management fees are determined by the value of assets under management. At contract inception, no revenue is estimated as the fees are dependent on assets under management which are susceptible to market factors outside of the Company's control.

Therefore, substantially all Investment Management services revenue is recognized using a time- based output method as the customers benefit from the services over time and as the assets under management are known or determinable during each reporting period based on contractual fee schedules.

The LOM Group of Companies also earns management fees from the following mutual funds (collectively referred to as the LOM Sponsored Funds), which are recorded on an accrual basis and recognized on a monthly basis, based on the net asset values:

- LOM Funds SAC Limited (listed on the Bermuda Stock Exchange)
  a. LOM Money Market Fund (USD, CAD, GBP)
  b. LOM Fixed Income Fund (USD, CAD, EUR, GBP)
  c. LOM Equity Growth Fund
  d. LOM Balanced Fund
  e. LOM Stable Income Fund
  f. LOM Emerging Market Fund
  g. LOM Innovation and Opportunity Fund

- Burnaby Special Funds SAC Ltd.
  a. Burnaby QGF Fund

Foreign Exchange Income, net

Foreign exchange income represents income earned from foreign currency transactions facilitated for customers and are based on the current foreign exchange rates and is net of foreign exchange fees charged by external brokers. Electronic foreign exchange (FX) services are dependent on the volume of actual transactions initiated through the Company's electronic exchange platforms. Revenue is recognized over time using a time-based measure as access to, and use of, the electronic exchange platforms is made available to the customer and the activity is determinable. A spread is captured by the Company at the time of an FX execution and a gain/loss is then booked monthly based on the market movement of those positions.

Corporate Finance Income

Corporate finance income consists of fees earned from clients participating in private placements of securities, generally for privately held companies, and is received in the form of cash, securities or warrants from its underlying investments. When corporate finance income is received in the form of securities, the Company records income based on the fair value of the securities received as of the date of the transaction. Fair value is the last reported sales price on the main market in which the investments trade on the date of valuation. Where there are no sales on that day, the mid-market prices are used. Where income is received in the form of warrants, the Board of Directors determines a price based on the fair value of the warrant.

Administration and Custody Fees

Administration fees, charged for the administrative and custodial services provided to the LOM Sponsored Funds, are recorded on an accrual basis over the period during which the service is provided. Revenue from contracts with customers related to custody fee revenue, is recognized over time as customers benefit from the services as they are performed. Substantially all custody fee revenue fees are determined by the value of assets under management. At contract inception, no revenue is estimated as the fees are dependent on assets under management which are susceptible to market factors outside of the Company's control.

Net Interest Income

Net interest income is a combination of interest earned on or paid to clients based on their daily cash balances and interest received or paid on the Company's cash balances from and to brokers, custodians and related parties (see Note 8). Revenue related to interest income is recognized over time as customers benefit from the services as they are performed. All interest revenue fees earned from customers are determined by the value of the customers overdrawn cash positions with the daily interest calculated on that daily balance. Interest amounts are charged to clients on a monthly basis. At contract inception, no revenue is estimated as the fees are dependent on the client's cash balance.

Other Income

Other income earned includes fees for settlement of client investment transactions and dividends received related to the Company's investments. Fees earned for settlement of client investment transactions and dividends received related to the Company's investments are recorded on a transaction date basis.

Rental Income

Rental income consists of rent earned from the lease of office space in the Company owned office building and includes rent

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Cash and Cash Equivalents
The Company has defined cash equivalents as highly liquid investments, with original maturities of 90 days or less that are not held for sale in the ordinary course of business. Cash and cash equivalents can include time deposits, money market funds and U.S. Treasury bills with original maturities of 90 days or less.

Property and Equipment
Property and equipment is stated at cost, net of accumulated depreciation. The costs of normal maintenance and repairs are charged to expense in the year incurred. Expenditures which significantly improve or extend the life of an asset are capitalized and depreciated over the asset's remaining useful life.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lesser of the life of the asset or the remaining lease term. Upon sale or disposition of an asset, the related cost and accumulated depreciation are removed and the resultant gain or loss, if any, is reflected in earnings.

The useful lives of the Company's assets are as follows:

Building	40 years
Computer hardware and software	3-5 years
Furniture and fittings	4 years
Leasehold improvements	4-15 years
Equipment	4 years

Unclaimed Cash and Securities
Client funds received and unclaimed after a three-year period are included as income under the category of other income. Securities received and unclaimed after a five-year period are sold and included as income under the category of other income.

Foreign Currency Transactions and Balances
The Company has adopted U.S. Dollars as its functional currency for LOMFL and all subsidiaries (including LOM (UK) Limited and Global Admin Inc.) because the majority of the Company's transactions and assets under management are denominated in U.S. Dollars. Bermuda Dollars and Bahamian Dollars trade at par with the U.S. Dollar; therefore, no foreign currency translation gains or losses are recorded in the accompanying consolidated financial statements. Foreign currency transaction gains or losses are recorded at the prevailing foreign exchange rates on the date of the transaction and are reflected in earnings for the year in the accompanying consolidated statement of operations.

Securities Owned
Securities owned are investments such as bonds and equities that are both marketable and non- marketable. These investments consist of trading investments, securities received as income from corporate finance transactions, privately held securities, and other strategic investments. Realized and unrealized gains or losses on trading securities and strategic investments are reflected in earnings as net trading gains and losses in the consolidated statements of operations. Realized gains or losses are based on the average cost method of securities purchased and sold. Security transactions are recorded on a trade date basis. Marketable securities are valued at the last reported sales price on the principal market in which the investments trade on the date of valuation. Where there are no sales on that day, the mid-market prices are used. For securities with no readily available market price or where the security is restricted, the securities are recorded at the estimated fair value in accordance with U.S. GAAP. The use of different assumptions or valuation techniques could produce materially different estimates of fair value. These securities have been valued with reference to observable and unobservable inputs or valuation models that make use of certain quantitative and qualitative inputs for similar securities traded in active markets, in accordance with U.S. GAAP (see Note 3, Fair Value Measurements).

Investments Recorded Under the Equity Method
For investments in entities that do not constitute a Variable Interest Entity ("VIE"), or for investments in securities owned and held as trading investments which are held at fair value, the Company considers other U.S. GAAP guidance, as required, in determining (i) consolidation of the entity if the Company's ownership interests comprise a majority of its outstanding voting shares or otherwise control the entity, or (ii) application of the equity method of accounting if the Company does not have direct or indirect control of the entity, with the initial investment carried at cost and subsequently adjusted for the Company's share of net income or loss and cash contributions and distributions to and from these entities.

If events or circumstances indicate that the fair value of an investment accounted for using the equity method has declined below its carrying value and the Company considers the decline to be "other than temporary," the investment is written down to fair value and an impairment loss is recognized. The evaluation of impairment for an investment would be based on a number of factors, including financial condition and operating results for the investment, inability to remain in compliance with provisions of any related debt agreements, and recognition of impairments by other investors. Impairment recognition would negatively impact the recorded value of the Company's investment and reduce net income.

Fair Value of Financial Instruments
The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, securities owned, securities sold short, accounts payable and accrued liabilities. The book value of cash and cash equivalents, accounts receivable, and accounts payable is considered to be representative of their fair value because of their short-term maturities.

Fair Value Measurements
ASC 820 "Fair Value Measurements" defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. 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. ASC 820 applies to all assets and liabilities that are measured and reported on a fair value basis (see Note 3, Fair Value Measurements).

Concentration of Credit Risk
Financial instruments that potentially subject the Company to a concentration of credit risk principally consist of cash and cash equivalents and securities owned. The Company has its cash and cash equivalents and securities placed with major international and local financial institutions. As part of its cash management process, the Company performs continuous evaluation of the relative credit standing of these institutions.

Use of Estimates
The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from the other sources. The most significant estimates include estimates recorded for the fair market value of privately held securities. On a continual basis, management reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Net Income Per Common Share
The Company calculates basic net income per common share and diluted net income per common share assuming dilution. Basic net income per common share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted net income per common share is calculated by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding during the period, plus potential dilutive common shares.

Securities Sold Short
The Company may sell a security it does not own in anticipation of a decline in fair value of the security, or as a hedge against similar securities owned. When the Company sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale.

Obligations related to securities sold short are recorded as a liability at fair value. Realized and unrealized gains and losses are recorded in net trading losses/gains in the consolidated statement of operations. A gain, limited to the price at which the Company sold the security short, or a loss, unlimited in size, is recognized on a monthly basis.

Revenue from Contracts with Customers
The amount of revenue that the Company recognize is measured based on the consideration specified in contracts with customers. The Company recognize revenue when a performance obligation is satisfied over time as the services are performed or at a point in time depending on the nature of the services provided as further discussed below. Revenue recognition guidance related to contracts with customers excludes interest received on the company's cash and broker balances, income from equity investments, foreign exchange income, net trading gains, corporate finance income and administration and custody fees, to which we apply other applicable U.S. GAAP guidance.

For contracts with multiple performance obligations, or contracts that have been combined, the Company allocate the contracts' transaction price to each performance obligation using best estimate of the standalone selling price. Contractual fees are negotiated on a customer-by-customer basis and are representative of standalone selling price utilized for allocating revenue when there are multiple performance obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Substantially all services are provided as a distinct series of daily performance obligations that the customer simultaneously benefits from as they are performed. Payments may be made to third party service providers and the expense is recognized gross when we control those services as we are deemed the principal.

Contract durations may vary from short to long term or may be open ended. Termination notice periods are in line with general market practice and typically do not include termination penalties. Therefore, for substantially all revenues, the duration of the contract and the enforceable rights and obligations do not extend beyond the services that are performed daily or at the transaction level. In instances where we have substantive termination penalties, the duration of the contract may extend through the date of substantive termination penalties.

Brokerage Fee, Net interest Income, Administration and Custody Revenue

Revenue from contracts with customers related to servicing fees is recognized over time as customers benefit from the custody, administration, accounting and other related asset services as they are performed. At contract inception, no revenue is estimated as the fees are dependent on assets under custody and administration and/or actual transactions which are susceptible to market factors outside of the Company's control. Therefore, revenue is recognized using a time-based output method as the customers benefit from the services over time and as the assets under custody or transactions are known or determinable during each reporting period based on contractual fee schedules. Payments made to third party service providers, such as sub-custodians, are generally recognized gross as the entity is deemed to be a principal in such arrangements.

Trading services revenue includes revenue generated from providing access and use of electronic trading platforms and other trading and brokerage services. Electronic FX services are dependent on the volume of actual transactions initiated through the Company's electronic exchange platforms. Revenue is recognized over time using a time-based measure as access to, and use of, the electronic exchange platforms is made available to the customer and the activity is determinable. Revenue related to other trading and brokerage services is recognized when the customer obtains the benefit of such services which may be over time or at a point in time upon trade execution.

Management Fee

Revenue from contracts with customers related to management fee, is recognized over time as customers benefit from the services as they are performed. Substantially all investment management fees are determined by the value of assets under management. At contract inception, no revenue is estimated as the fees are dependent on assets under management which are susceptible to market factors outside of the Company's control.

Therefore, substantially all Investment Management services revenue is recognized using a time-based output method as the customers benefit from the services over time and as the assets under management are known or determinable during each reporting period based on contractual fee schedules.

Revenue by category

In Note 14, revenue is disaggregated by the two lines of business and by revenue stream for which the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Contract balances and contract costs

As of December 31, 2022, net receivables of $827,522 (2021 - $1,028,630), included fees receivable, representing amounts billed or currently billable to or due from customers related to revenue from contracts with customers. As performance obligations are satisfied, we have an unconditional right to payment following which billing is generally performed monthly. No adjustments are made to the promised amount of consideration for the effects of a significant financing component as the period between when we transfer a promised service to a customer and when the customer pays for that service is expected to be one year or less.

New Accounting Standards – Newly adopted standards in 2022

Leases

Effective January 1, 2022, the Company adopted Accounting Standards Update ("ASU") 2016-02, Leases ("ASU 2016-02"). ASU 2016-02 was issued to improve the financial reporting of leasing transactions. This update requires the recognition of a right-of-use asset and a corresponding lease liability, discounted to the present value. For operating leases, the asset and liability will be amortized over the lease term on a straight-line basis, with all cash flows included within operating activities in the statement of cash flows. The accounting treatment for lessors will remain relatively unchanged. The Company adopted ASU 2016-02 using the modified retrospective transition method and did not restate comparative periods.

The adoption of ASU 2016-02 has resulted in in the Company recording a $432,934 right-of-use asset and a corresponding lease liability of $417,855; Refer to Note 11, "Leases" for further information regarding the adoption of ASU 2016-02.

New Accounting Standards – Not yet adopted

Measurement of Credit Losses on Financial Instruments

ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments, was issued in June 2017 and the amendments in this update require entities to use an expected credit loss methodology and to consider a broader range of reasonable and supportable information to inform credit loss estimates. This update is effective for annual reporting periods beginning after December 15, 2022 and is to be applied on a modified retrospective basis. The Company is assessing the impact that the adoption of this update will have on its consolidated financial statements and related disclosures.

Leases

Effective January 1, 2022, the Company adopted Accounting Standards Update ("ASU") 2016-02, Leases ("ASU 2016-02"). ASU 2016-02 was issued to improve the financial reporting of leasing transactions. This update requires the recognition of a right-of-use asset and a corresponding lease liability, discounted to the present value. For operating leases, the asset and liability will be amortized over the lease term on a straight-line basis, with all cash flows included within operating activities in the statement of cash flows. The accounting treatment for lessors will remain relatively unchanged. The Company adopted ASU 2016-02 using the modified retrospective transition method and did not restate comparative periods.

The adoption of ASU 2016-02 has resulted in in the Company recording a $432,934 right-of-use asset and a corresponding lease liability of $417,855; Refer to Note 11, "Leases" for further information regarding the adoption of ASU 2016-02.

Fair Value Measurements

In August 2019, the FASB issued ASU 2019-13 for changes to the disclosure framework related to Topic 820 which amends the disclosure requirements for fair value measurement. The following disclosure requirements were removed from Topic 820: (i) amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, (ii) policy for timing of transfers between levels, and (iii) valuation processes for Level 3 fair value measurements. The amendments clarify that the measurement uncertainty disclosure is to communicate information about the uncertainty in measurement as of the reporting date. The following disclosure requirements were added to Topic 820: (i) changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period; and (ii) range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements.

For certain unobservable inputs, an entity may disclose other quantitative information (such as the median or arithmetic average) in lieu of the weighted average if the entity determines that other quantitative information would be a more reasonable and rational method to reflect the distribution of unobservable inputs used to develop Level 3 fair value measurements.

The amendments in this Update are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. Early adoption is permitted upon issuance of this Update. An entity is permitted to early adopt any removed or modified disclosures upon issuance of this Update and delay adoption of the additional disclosures until their effective date.

ASC 820 clarifies the definition of fair value, establishes a framework for measurement of fair value and expands disclosure about fair value measurements.

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. ASC 820 applies to all financial instruments that are measured and reported on a fair value basis.

Where available, fair value is based on observable market prices or is derived from such prices. In instances where valuation models are applied, inputs are correlated to a market value, combinations of market values or the Company's proprietary data. The Company primarily uses the market approach.

Market Approach

The market approach uses prices and other pertinent information generated from market transactions involving identical or comparable assets or liabilities. Valuation techniques consistent with the market approach often use market multiples derived from a set of comparables or may include matrix pricing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Income Approach

The income approach uses valuation techniques to convert future values e.g. cash flows, or earnings to a single discounted present amount. The measurement is based on the value indicated by current market expectations about those future amounts. Those valuation techniques include present value computations, option pricing models and a binomial model.

In following these approaches, the types of factors the Company may take into account in estimating fair value include available current market data, including relevant and applicable market quotes, yields and multiples, quotations received from counterparties, brokers or dealers when considered reliable, subsequent rounds of financing, recapitalizations and other recent transactions in the same or similar instruments, restrictions on disposition, the entity's current or projected earnings and discounted cash flows, the market in which the entity does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparable and the principal market and enterprise values, among other factors. Based on these approaches, the Company will use certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable firm inputs. The Company aims to use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Company uses valuation techniques it believes are most appropriate to estimate the fair value of its portfolio investments; however, considerable judgment is required in interpreting market data to develop the estimates of fair value. There are inherent limitations in any estimation technique.

For investments in publicly held securities that trade on exchanges, the Company generally uses the market approach, except when circumstances, in the estimation of the Company, warrant consideration of other data such as current market prices for similar securities in cases where current market data is not available or unreliable.

Many of the stocks and warrants held are in small cap companies and are highly volatile with thinly traded daily volumes. Sudden sharp declines in the market value of such securities can result in very illiquid markets. Management and the directors have taken all of these factors into account, including the fact that some securities it holds are currently restricted as to sale, in arriving at their best estimate of the fair value of the securities.

The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange and there can be no assurance that the fair values for these investments will be fully realizable upon their ultimate disposition or reflective of future fair values.

Because of the inherent uncertainty of valuation, the estimated fair values of certain privately held investments may differ significantly from values that would have been used had an observable market for the privately held investment existed, and the differences could be material.

Based on the inputs used in the valuation techniques described above, financial instruments are categorized according to the fair value hierarchy prescribed by ASC 820. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 - Observable inputs that reflect quoted market prices are available in active markets for identical assets or liabilities as of the reporting date. The types of investments in Level 1 include listed equities and monetary gold.
- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data. Investments in this category include less liquid and restricted equity securities and securities in markets for which there are few transactions (inactive markets).
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs. Investments in this category include investments in private companies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the assignment of the asset within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset.

When determination is made to classify a financial instrument within Level 3, the determination is based upon the lack of significance of the observable parameters to the overall fair value measurement. However, the fair value determination for Level 3 financial instruments may include observable components.

3. SECURITIES OWNED AND FAIR VALUE MEASUREMENTS

The following are the Company's major categories of assets measured at fair value on a recurring basis at December 31, 2022 and 2021, categorized by the ASC 820 fair value hierarchy:

Fair Value Measurements at December 31, 2022

Description	Level 1	Level 2	Level 3	Total
Assets				
Equity Securities				
Mining	33	380,962	-	380,995
Energy	-	-	153,850	153,850
Media	-	-	1,383,792	1,383,792
Technology	-	728,187	1,099,400	1,827,587
Financial	1,193,794	-	-	1,193,794
Insurance	525,862	1,407	-	527,269
Bio Tech	-	-	75,000	75,000
Food Retail	-	84	-	84
Aviation	-	-	125,400	125,400
Infrastructure	-	291,600	-	291,600
Other	4,388	27,575	-	31,963
Total Equity Securities	**1,724,077**	**1,429,815**	**2,837,442**	**5,991,334**
Commodities				
Gold	1,002,655	-	-	1,002,655
Total Assets	**2,726,732**	**1,429,815**	**2,837,442**	**6,993,989**
Liabilities				
Gold	30,497	-	-	30,497
Total Liabilities	**30,497**	**-**	**-**	**30,497**

3. SECURITIES OWNED AND FAIR VALUE MEASUREMENTS CONTINUED

Fair Value Measurements at December 31, 2021

Description	Level 1	Level 2	Level 3	Total
Assets				
Equity Securities				
Energy	-	-	200,000	200,000
Media	-	-	1,399,607	1,399,607
Technology	-	1,052,979	1,096,151	2,149,130
Mining	313,513	429,344	-	742,857
Insurance	582	1,207	-	1,789
Bio Tech	-	-	75,000	75,000
Other	13,241	29,959	-	43,200
Total Equity Securities	**327,336**	**1,513,489**	**2,770,758**	**4,611,583**
Commodities				
Gold	290,573	-	-	290,573
Total Assets	**617,909**	**1,513,489**	**2,770,758**	**4,902,156**
Liabilities				
Gold	3,504	-	-	3,504
Total Liabilities	**3,504**	**-**	**-**	**3,504**

The following is a reconciliation of the beginning and ending balances for the Company's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2022 and 2021:

Assets	2022	2021
Balance, January 1	2,770,758	2,678,948
Purchases	283,720	559,856
Sales	-	-
Net change in realized gains	-	-
Net change in unrealized (losses)/gains	(217,036)	(468,046)
Balance, December 31	**2,837,442**	**2,770,758**
Change in unrealized (losses)/gains relating to investments still held at December 31	(217,036)	(468,046)

3. SECURITIES OWNED AND FAIR VALUE MEASUREMENTS CONTINUED

The Company has obtained an independent valuation to estimate the fair value of one (2021: one) investment in a publicly held security. For purposes of valuing privately held securities, fair value is defined as the amount at which a minority common stock interest in a privately held enterprise could be bought or sold in a current transaction between unrelated willing parties, that is, other than in a forced or liquidation sale. The methodology used in determining fair value uses a variety of factors giving each factor a weighting. When evidence supports a change to the carrying value from the transaction price, adjustments will be made to reflect expected exit values in the investment's principal market under current market conditions.

The media company's valuation is determined by a combination of a single period capitalization method for the property rental segment of the business and a net asset value method for the remainder of the business.

The fair value of the remaining Level 3 investments are based on unobservable inputs that are not developed by management, such as investments for which fair value is determined by recent, pending or expected transactions or third-party pricing information without adjustment.

Ongoing reviews are conducted by the Company's management on all privately held securities based on an assessment of the underlying investments from the inception date through the most recent valuation date.

Derivatives

As of December 31, 2022, the Company was short 10 derivative futures contracts (2021 – 15 contracts) consisting of 5 short gold micro futures and 5 regular gold futures which would have been used as hedges against quantities of physical gold held in inventory by the Company. These derivatives are traded on recognized commodity exchanges and the Company executes the trades through a broker on a net margin basis, each micro contract represents 10 fine troy ounces of gold and each regular contract represents 100 fine troy ounces of gold. As of December 31, 2022, the underlying notional value of the short contracts was $1,004,410 (2021 - $274,290) compared to a cost of $973,913 (2021 - $270,786) resulting in an unrealized loss of $30,497 (2021 - $3,504). Because the contracts are executed on a net margin basis, the Company recorded only the unrealized gain/loss in the financial statements.

At December 31, 2022, the volume of the Company's derivative activities based on their notional amounts and number of contracts, categorized by primary underlying risk, are as follows:

Primary Underlying Risk Commodities	Underlying Contract Size	Number of Contracts
Short Gold Micro Futures	10 ounces of Fine Troy Gold	524
Gold Futures	100 ounces of Fine Troy Gold	87
US 10 Year Note Futures	1,000 Contracts	100
UK 10 Year Gilt Futures	1,000 Contracts	50
Euro BTP Futures	1,000 Contracts	50
Japanese 10 Year Government Bond Futures	1,000,000 Contracts	20

During the year ended December 31, 2022, the Company recorded (losses)/gains of $(257,330) (2021 – $43,494) from a combination of derivative trading and hedging its physical gold held for resale to customers

4. EQUITY INVESTMENT IN AFFILIATE

	2022	2021
Affiliate	1,685,263	1,507,795

The Company owns 138,550 (38.27%) (2021 - 127,750 (35.29%)) ordinary shares of an affiliate, which is accounted for under the equity method. During the year the Company purchased 10,800 shares for $122,386. The Company also engages in certain transactions with this affiliate (See Note 8).

The affiliate provides management services through its wholly owned subsidiaries. The Company's share of the net income of this company for the year ended December 31, 2022 was $262,907 (2021 – $156,900). The Company received a dividend in 2022 of $207,825 (2021 - $255,501) which was recorded as a reduction in the carrying value of the investment on the consolidated balance sheet.

Components of net change in investments recorded under the equity method:

	2022	2021
Opening balance, January 1	1,507,795	1,606,396
Shares purchased	122,384	-
Net income	262,909	156,900
Dividends received	(207,825)	(255,501)
Net change	177,468	(98,601)
Closing balance, December 31	**1,685,263**	**1,507,795**

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	Cost	Accumulated Depreciation	Net Carrying Value
2022			
Buildings	10,470,898	(5,216,102)	5,254,796
Freehold land	2,008,192	-	2,008,192
Computer hardware and software	1,340,344	(1,206,849)	133,495
Fixtures and fittings	416,720	(183,038)	233,682
Leasehold improvements	2,349,625	(190,590)	2,159,035
Equipment	365,519	(288,488)	77,031
Total	**16,951,298**	**(7,085,067)**	**9,866,231**
2021			
Buildings	10,470,898	(4,954,342)	5,516,556
Freehold land	2,008,192	-	2,008,192
Computer hardware and software	1,310,326	(1,144,097)	166,229
Fixtures and fittings	582,326	(560,972)	21,354
Leasehold improvements	1,229,133	(333,797)	895,336
Equipment	385,261	(311,172)	74,089
Total	**15,986,136**	**(7,304,380)**	**8,681,756**

6. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL

The Board of Directors authorized the Company in 2022 to purchase up to 500,000 of its own shares from existing shareholders at no fixed price per share and that the shares repurchased be retired. Such repurchase is subject to appropriate market conditions and repurchases will only be made in the best interest of the Company. During the year, the Company repurchased 110,000 (2021 – 40,000) shares in the open market at an average price of $5.21 (2021 - $3.18) per share, for cash. These shares were immediately retired upon repurchase.

7. ASSETS UNDER ADMINISTRATION

Cash, securities and properties held in the Company's role as custodian for customers are not included in the consolidated balance sheet as they are not the property of the Company. The Company is licensed by the Bermuda Monetary Authority under the Investment Business Act of 2003 and approved to hold client assets. The assets under administration include LOM's investments, the LOM Sponsored Funds and the clients' investments which are included in the LOM Sponsored Funds. The fair value of assets under administration as of December 31, 2022 is approximately $1.25 billion (2021 - $1.62 billion).

8. RELATED PARTY TRANSACTIONS

During the year, the Company earned broking fee revenue from accounts in which related parties have an interest of $602,355 (2021 - $422,569). The Company also paid interest of $22,652 (2021 - $14,804) and received interest of $550,175 (2021 - $225,596) from these same accounts.

During the year, the Company had transactions with shareholders who are also directors and employees of the Company. These transactions consisted of commission expenses of $3,790,292 (2021 - $3,320,897).

During the year, the Company earned rent and service charge income from related parties of $202,400 (2021 - $202,400). In addition, the Company also earned $171,699 (2021 - $203,175) for information technology services, accounting and administration services recorded in other income, of which $69,004 (2021 - $60,360) is still outstanding at year end. During the year, the Company paid $45,907 (2021 - $46,260) for corporate services, recorded in professional fees, provided by St Georges Services Limited. However, $9,595 (2021 – $10,131) of this amount, related to payments for annual government fees.

During the year, the Company earned management and performance fees of $3,214,691 (2021 -$3,194,307) from the LOM Sponsored Funds, of which $737,087 (2021 - $881,967) was included in accounts receivable at year end. The Company is also the custodian for the LOM Sponsored Funds and received a custodial fee, recorded in administrative and custody fees, of $76,279 (2021 -$73,376) for these services, of which $17,384 (2021 - $18,686) was included in accounts receivable at year end. The Company also earned director fees of $66,250 (2021 - $60,000) from the LOM Sponsored Funds, with the balance outstanding at year end.

9. OFF-BALANCE SHEET AND OTHER RISKS

In the normal course of trading, the Company is party to certain financial instruments with off-balance sheet risk, where the risk of potential loss due to changes in the market ("market risk") or failure of the other party to the transaction to perform (credit risk) exceeds the related amounts recorded. The Company attempts to manage these risks on an aggregate basis along with the risks associated with its investing activities as part of its overall risk management policies. Refer to Note 13 for client related off-balance sheet risks.

Credit Risk

The Company is potentially subject to credit risk associated with its cash and cash equivalents and securities owned. The Company's credit risk is equal to the replacement cost at the then-estimated fair value of the instrument, less recoveries. As the Company places its cash and cash equivalents and securities with major international and local financial institutions, management believes that the risk of incurring losses on these financial instruments is remote and that losses, if any, would not be material.

Liquidity Risk

The Company is potentially subject to liquidity risk on some of its non-marketable or illiquid securities owned. As a result, the Company may be unable to realize the full fair value of these securities since it may not be able to liquidate its positions in a timely manner.

Market Risk

The Company is subject to market risk on its securities owned. As a result of changes in market conditions, the values of these financial instruments will fluctuate.

Currency Risk

From time to time, the Company holds positions that are exposed to changes in foreign exchange rates (currency risk) whose gains or losses may exceed the related amounts recorded. The fair value may change based on the fluctuations in the value of these underlying currencies.

10. BANK LOAN

This loan with FirstCaribbean International Bank (Bahamas) Limited was to assist in the purchase of an office building in The Bahamas. The initial loan of $900,000 USD carries an interest rate of USD 3Month Libor plus 4.50%. The loan is to be amortized over 10 years but repayable in a term of 5 years with monthly repayments of $7,500 plus interest and a balloon payment of $450,000 due at maturity plus any other outstanding amounts owing. A paydown of $400,000 was made against the loan in May 2019. The final balance on the loan was paid in December 2022. Total interest expense in relation to the bank loan was $5,927 for the year ended December 31, 2022 (2021 - $8,937). The bank loan is secured by a registered First Demand Mortgage over the property located at #3 Pineapple Grove, Old Fort Bay, Nassau, Bahamas.

11. LEASES

The Company leases office space under operating leases for its operations. The net term of the leases at inception range between 2 to 5 years. Leases with an initial term of 12 months or less, which are immaterial to the Company, are recognized as lease payments in expenses, on a straight-line basis over the term of the lease. The Company also elected the package of practical expedients permitted within the new standard, which among other things, allows the Company to carry forward historical lease classification. In calculating the right-of-use assets and lease liability include the determination that the lease payments will be discounted using the implicit discount rate in the lease. If the implicit discount rate for the lease cannot be readily determined, the Company has used the risk-free rate determined using a period comparable with that of the lease term.

Activity related to the Company's leases for the year ended December 31, 2022 is as follows:

Year ended December 31, 2022	Amount
Operating lease cost	159,628
Weighted-Average remaining lease term	3.84
Weighted-Average Discount Rate	3.1466%

Undiscounted maturity of lease liabilities as of December 31, 2022:	Amount
2023	163,233
2024	120,598
2025	65,538
2026	67,504
2027	63,576
Total future lease payments	**480,449**
Less discount rate	(62,594)
Lease liability	417,855

Future minimum lease payments as of December 31, 2021:	Amount
2022	165,526
2023	68,369
2024	34,184
Total future lease payments	**268,079**

Operating lease rent expenses (including real estate taxes and maintenance costs) were $199,820 for the year ended December 31, 2021.

Lessor

The Company's real estate assets are leased to tenants under operating leases for which the terms, expirations and extension options vary. The Company's operating leases do not convey to the lessee the right to purchase the underlying asset upon expiration of the lease period. To determine whether a contract contains a lease, the Company reviews contracts to determine if the agreement conveys the right to control the use of an asset. The Company adopted ASC 842, using the optional alternative transition method and used the effective date as the date of initial application. Consequently, financial information was not updated and the disclosures required under the new standard are not provided for dates and periods before January 1, 2022. The Company elected the "package of practical expedients," which permits the Company to not reassess under the new standard prior conclusions about lease identification, lease classification and initial direct costs. The Company elected to apply the practical expedient for all of the Company's leases to account for the lease and non-lease components as a single, combined operating lease component under ASC 842. Non-lease components primarily consist of maintenance services, including common area maintenance (CAM) and utilities paid for by the lessor but consumed by the lessee.

As of December 31, 2022, the leases had a weighted-average remaining term of 2.4 years. Certain leases include provisions to extend the lease agreement.

As of December 31, 2022, the future minimum rental income from the Company's real estate assets under non-cancelable operating leases, assuming no exercise of renewal options for the succeeding five fiscal years and thereafter, was as follows:

Year ending December 31,	Amount
2023	442,753
2024	410,025
2025	255,525

12. INCOME TAXES

The Company accounts for income taxes in accordance with ASC 740 "Income Taxes" ("ASC 740"). ASC 740 clarifies the accounting for uncertainty in income taxes recognized in financial statements and requires the impact of a tax position to be recognized in the financial statements if that position is more likely than not of being sustained by the taxing authority. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company is not subject to, and does not anticipate becoming subject to, income taxes in any jurisdiction in which it currently operates, other than in the United Kingdom and the Philippines. LOM (UK) Limited and Global Admin Inc. are subject to income taxes. The Company has assessed and concluded that, no uncertain tax positions were required to be recorded, and the Company has not recognized any penalties, interest or any tax effect related to uncertain tax positions.

A reconciliation of the statutory income tax rates applied to the Company's net income from LOM (UK) Limited and Global Admin Inc for the years ended December 31, 2022 and 2021 is as follows:

Provision for income taxes consist of the following:

	2022	2021
Income tax benefit for foreign operations at statutory rate in effect of 19%-25% (2021: 19%-25%)	40,167	23,442
Non-deductible expenses	1,599	1,490
Capital allowance in excess of depreciation	(23,722)	(10,487)
Unutilized tax losses carried forward	(4,655)	1,042
Deferred tax movement	32,537	(2,680)
Current tax charge/(credit) for the year	**45,926**	**12,807**

Tax losses of $Nil (2021: $134,647) are available to carry forward to offset against future profits. The standard rate of tax applied to the reported result on ordinary activities of the companies range from 19%-25% (2021: 19%-25%)

13. COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET RISK

Client Activities

In the normal course of business, the Company's client activities include execution, settlement, and financing of various client securities and commodities transactions. These activities may expose the Company to off-balance sheet risk in the event the client is unable to fulfill its contractual obligations and the Company has to sell the financial instrument underlying the contract at a loss. The Company attempts to mitigate this risk by adhering to strict policies requiring client acceptance procedures prior to the execution of any transactions.

The Company's client securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to the client collateralized by cash and securities in the client's account. The Company seeks to control the risks associated with its client activities by requiring clients to maintain margin collateral in compliance with various regulatory, exchange, and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the clients to deposit additional collateral or reduce positions when necessary.

13. COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET RISK CONTINUED

Such transactions may expose the Company to significant off-balance sheet risk in the event the margin is not sufficient to fully cover losses which clients may incur.

In the event the client fails to satisfy its obligations, the Company may be required to purchase or sell the collateral at prevailing market prices in order to fulfill the client's obligations. The Company records client transactions on a transaction date basis, which is generally the day of the trade. The Company is therefore exposed to risk of loss on these transactions in the event of the client's or broker's inability to meet the terms of their contracts in which case the Company may have to purchase or sell financial instruments at prevailing market prices.

Counterparty Risk

In the event counterparties to the transactions do not fulfill their obligations, the Company may be exposed to significant credit risk to the extent such obligations are unsecured. The Company's policy is to monitor its market exposure and counterparty risk through the use of a variety of credit exposure reporting and control procedures.

Legal Proceedings

From time to time, the Company is involved in various legal proceedings, including arbitration proceedings, and/or regulatory inquiries that arise in the normal course of business. These matters generally relate to specific client accounts and/or transactions and may include requests for information on or from officers of the Company. In the opinion of management, the aggregate amount of any potential liability arising from such matters is not expected to have a material effect on the Company's financial position or results of operations. Management is unaware of any outstanding legal claims.

Regulatory Restrictions

The Company's business operations are strictly regulated under the laws of Bermuda and Bahamas, and other jurisdictions that the Company operates and has business relationships. Compliance with many of the regulations applicable to the Company involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation. In the event of non-compliance with an applicable regulation, securities regulators may institute administrative or judicial proceedings that may result in censure, fines, civil penalties, issuance of cease-and-desist orders, deregistration or suspension of the non-compliant company. It could even lead to the suspension or disqualification of the Company officers or employees, or other adverse consequences. The imposition of such penalties or orders on the Company could in turn have a material adverse effect on the Company's operating results and financial condition.

Minimum Regulatory Capital

Certain subsidiaries of the Company are required to maintain a regulatory capital amount to satisfy the domiciliary regulator. Those minimum amounts are as follows:

LOM Financial (Bermuda) Limited	$250,000
LOM Asset Management Limited	$250,000
Global Custody and Clearing Limited	$250,000
LOM Financial (Bahamas) Limited	$300,000

As of December 31, 2022 and 2021, the above subsidiaries met their minimum regulatory capital amount.

Futures Contracts

Futures contracts provide reduced counterparty risk to the Company since futures are exchange- traded; and the exchange's clearinghouse, as the counterparty to all exchange-traded futures, guarantees the futures against default. For futures contracts where the Company takes a short position, a gain, limited to the original fair value of the contract, or a loss, unlimited in size, will be recognized upon the termination of the futures contract. Short futures contracts represent obligations of the Company to deliver specified securities or commodities at contracted prices and thereby create a liability to repurchase the securities or commodity in the market at prevailing prices. Accordingly, these transactions involve, to varying degrees, elements of market risk, as the Company's ultimate obligation to satisfy the sale of securities sold short may exceed the amount recognized in the statement of financial condition.

14. SEGMENT INFORMATION

The Company operates its business in segments which have been segregated based on products and services reflecting the way that management organizes the segments within the business for making operating decisions and assessing performance.

Measurement of Segment Income and Segment Assets

The Company evaluates each segment's performance based on its contribution to consolidated net income. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

Factors Management Used to Identify the Company's Reportable Segment

Management monitors performance based on individual companies. The description of these companies is included in Note 1 to the consolidated financial statements. Intersegment revenue and expenses are allocated based on contractual terms that may not necessarily be at arm's length.

14. SEGMENT INFORMATION CONTINUED

Intersegment revenue relates to recharges between LOMFL's wholly-owned subsidiaries for information technology charges, administrative expenses and rent. These are charged at estimated current market prices. Revenues from segments below the quantitative thresholds for disclosure prescribed by U.S. GAAP are attributable to three operating segments and are aggregated and included in the other operating segment. These operating segments include LOM Corporate Finance Ltd., LOM (UK) Limited and Global Admin Inc.

	LOM Financial (Bermuda) Limited (Bermuda)	LOM Financial (Bahamas) Limited (Bahamas)	LOM Asset Management Limited	Global Custody Clearing Limited (Bermuda)	LOM Financial Limited (Bermuda)	LOM Properties Limited (Bermuda)	Other (UK, Bermuda, Philippines)	Eliminations	Total
2022									
Revenues from external customers	4,607,866	6,720,194	3,941,509	2,560,042	279,015	447,534	(274,228)	-	
Intersegment revenue	1,498,227	184,451	-	3,255,472	-	642,495	1,267,227	(6,847,872)	-
Total Revenue	**6,106,093**	**6,904,645**	**3,941,509**	**5,815,514**	**279,015**	**1,090,029**	**992,999**	**(6,847,872)**	
Depreciation	22,709	542	-	35,750	-	340,439	28,925	-	428,365
Operating expenses (incl. tax)	6,519,605	4,615,711	3,120,941	5,381,846	729,866	1,259,259	1,618,625	(6,847,872)	16,397,981
Segment (loss) income	(413,511)	2,288,934	820,568	433,669	(450,851)	(169,230)	(625,628)	-	1,883,951
Identifiable assets	1,195,155	1,142,192	1,339,103	3,344,999	34,490,395	10,007,909	4,034,285	(19,247,193)	
Property and equipment	13,060	-	-	80,018	-	9,719,378	53,775	-	9,866,231
Capital expenditures	-	-	-	-	-	1,577,523	35,317	-	1,612,840
2021									
Revenues from external customers	5,941,508	4,690,053	3,938,299	1,756,439	(308,931)	526,768	7,949,348	-	
Intersegment revenue	1,466,359	237,664	-	2,362,497	-	465,572	1,017,327	(5,549,419)	-
Total revenue	**7,407,867**	**4,927,717**	**3,938,299**	**4,118,936**	**(308,931)**	**992,340**	**8,966,675**	**(5,549,419)**	
Depreciation	23,076	685	-	46,849	-	326,629	22,688	-	419,927
Operating expenses (incl. tax)	6,801,588	3,273,383	2,968,371	4,354,684	847,139	1,208,157	1,122,066	(5,549,419)	
Segment (loss) income	606,279	1,654,335	969,929	(235,748)	(1,156,070)	(215,817)	7,844,607	-	9,467,515
Identifiable assets	1,747,884	1,419,848	1,464,591	2,942,017	32,188,438	9,290,235	4,485,940	(18,583,177)	
Property and equipment	35,770	542	-	115,769	-	8,482,295	47,380	-	8,681,756
Capital expenditures	-	-	-	72,951	-	851,439	9,287	-	933,677

Geographical Split

	Bermuda	Bahamas	UK	Philippines	Total
2022					
Revenues from external customers	11,295,982	6,720,194	107,941	157,815	18,281,932
Property and equipment	9,812,456	-	53,775	-	9,866,231
2021					
Revenues from external customers	19,502,955	4,690,053	132,265	168,211	24,493,484
Property and equipment	8,633,834	542	47,380	-	8,681,756

Geographic split is disclosed by location of business.

15. SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated subsequent events through April 24, 2023, which is the date these financial statements were available to be issued and determined that there were no material events that would require recognition or disclosure in the Company's consolidated financial statements through that date.

Section 05

Organisational Chart

LOM Financial Limited

Global Custody & Clearing Limited (GCCL)
- Trading, clearing & custody, investment administration, compliance, finance, information technology
- Trading and listing member of Bermuda Stock Exchange
- Regulated by the Bermuda Monetary Authority

LOM Nominees Limited and Donald & Co Limited

LOM Financial (Bermuda) Limited (LOMB)
- Bermuda brokerage services
- Cayman branch office
- Regulated by the Bermuda Monetary Authority

LOM Asset Management Limited (LOMAM)
- Discretionary portfolio & mutual fund management
- Regulated by the Bermuda Monetary Authority

LOM Properties Limited
- Owns LOM office buildings in Bermuda and Bahamas

LOM Corporate Finance Ltd.
- Corporate finance
- Assist GCCL with BSX listings

LOM Financial (Bahamas) Limited. (LOMBH)
- Bahamas brokerage services
- Regulated by the Securities Commission of the Bahamas

LOM Global Admin Inc.
- Social media and search engine optimisation (SEO)
- Regional marketing and client support base

LOM (UK) Limited (LOMUK)
- IT, HR, Accounting and Operations support

Global presence

Bermuda

The LOM Building
27 Reid Street
Hamilton, HM 11 Bermuda
Telephone: +1 441 292 5000

Bahamas

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