

Microfinance organization

FintechFinance LLP

Financial statements

For the year ended December 31, 2024

with Independent auditor's report

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for the preparation and approval of the financial statements
for the year ended December 31, 2024

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FOR THE YEAR ENDED DECEMBER 31, 2024

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES
for the preparation and approval of the financial statements
for the year ended December 31, 2024**

The following statement, which should be read in conjunction with the independent auditor's responsibilities, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the financial statements Microfinance Organization Fintechfinance LLP (the "Company").

Management of the Company is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2024, the results of its operations, cash flows and changes in equity of the Company for the year ended December 31, 2024, in accordance with the International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether requirements of the accounting legislation of the Republic of Kazakhstan and IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records and operations in compliance with the legislation of the Republic of Kazakhstan and the IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud, errors and other irregularities.

Signed and approved of issue on behalf of Management of the Company on April 30, 2025:

General Director

Mr Ustemirov B.

Chief Accountant

Ms. Alapshayeva G.

INDEPENDENT AUDITOR'S REPORT

To the Participants and Management of Microfinance Organization Fintechfinance LLP

Opinion

We have audited the financial statements of Microfinance Organization Fintechfinance LLP (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the «Auditor's responsibility for the audit of financial statements» section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and ethical requirements applicable to the audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



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

The engagement partner on the audit resulting in this independent auditor's report is Yerlan Islambekov.

Yerlan Islambekov
Director
Baker Tilly Qazaqstan Audit LLP

State audit license for audit activities on the territory of the Republic of Kazakhstan #22023129 issued by the Internal State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan dated December 07, 2022

April 30, 2024:

Yerlan Islambekov
Auditor

Auditor qualification certificate #МФ-0000185
dated May 29, 2014

STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2024

<i>In thousands of Tenge</i>	Notes	2024	2023
Revenue		29 816 800	16 349 221
Interest income	4	16 044 474	10 413 634
Agency commission income	5	13 772 237	5 933 850
Other income		89	1 737
Financial and operating expenses		(19 403 443)	(12 099 627)
Interest expenses	6	(1 562 595)	(1 023 763)
Net expense from provisioning for expected credit losses	11, 18	(7 672 954)	(6 198 867)
Operating expenses	7	(6 652 617)	(3 255 093)
General and administrative expenses	8	(3 515 277)	(1 621 904)
Operating profit		10 413 357	4 249 594
Net loss/(gain) on foreign exchange transactions		(742 714)	(49 030)
Other expenses		(292)	(138)
Profit before income tax expense		9 670 351	4 200 426
Corporate income tax expense	9	(1 726 293)	(638 101)
Net profit		7 944 058	3 562 325
Total comprehensive income		7 944 058	3 562 325

The notes to the financial statements form an integral part of these financial statements.

Signed and approved of issue on behalf of Management on April 30, 2025:

General Director

Mr Ustemirov B.

Chief Accountant

Ms. Alapshayeva G.

STATEMENT OF FINANCIAL POSITION
As of December 31, 2024

<i>In thousands of Tenge</i>	Notes	December 31, 2023	December 31, 2022
ASSETS			
Cash and cash equivalents	10	867 968	638 780
Loans issued to customers	11	30 153 145	9 649 672
Loans to related parties	19,20,23	1 054 125	3 354 826
Investment securities at amortized cost	14	1 568 545	-
Other financial assets	15	88 862	994 238
Property, plant and equipment	12	228 152	190 952
Intangible assets	13	651 096	732 145
Current tax assets		320 801	232 986
Deferred tax assets	9	116 399	-
Other non-financial assets	15	737 187	99 996
TOTAL ASSETS		35 786 280	15 893 595
LIABILITIES			
Loans and credits	16	15 119 058	5 543 195
Direct REPO transaction	17	1 279 668	-
Deferred tax liabilities	9	-	44 133
Current tax liabilities		475 715	-
Other financial liabilities	18	5 194 928	3 258 494
Other non-financial liabilities	18	490 397	477 345
TOTAL LIABILITIES		22 559 766	9 323 167
EQUITY			
Share capital	1	200 000	200 000
Subordinated loans	3	11 322 477	4 989 979
Retained earnings		1 704 037	1 380 449
TOTAL EQUITY		13 226 514	6 570 428
TOTAL EQUITY AND LIABILITIES		35 786 280	15 893 595

The notes to the financial statements form an integral part of these financial statements.

Signed and approved of issue on behalf of Management on April 30, 2025:

General Director

Mr Ustemirov B.

Chief Accountant

Ms. Alapshayeva G.

STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2024

	Notes	Share capital	Subordinated loans	Retained earnings	Total equity
As at 31 December 2022		100 000	5 872 979	3 291 872	9 264 851
Total comprehensive income for the period		-	-	3 562 325	3 562 325
Raising subordinated loans		-	(883 000)	-	(883 000)
Repayment of interest on subordinated loans		-	-	(1 041 990)	(1 041 990)
Contribution to capital		100 000	-	-	100 000
Foreign exchange revaluation of subordinated loans		-	-	-	-
Dividend payment		-	-	(4 431 758)	(4 431 758)
As at 31 December 2023		200 000	4 989 979	1 380 449	6 570 428
Total comprehensive income for the period		-	-	7 944 058	7 944 058
Raising subordinated loans		-	6 332 498	-	6 332 498
Repayment of interest on subordinated loans		-	-	(1 291 338)	(1 291 338)
Contribution to capital		-	-	-	-
Foreign exchange revaluation of subordinated loans		-	-	-	-
Dividend payment		-	-	(6 316 805)	(6 316 805)
Effect of mergers and acquisitions transaction		-	-	(12 327)	(12 327)
As at 31 December 2024		200 000	11 322 477	1 704 037	13 226 514

The notes to the financial statements form an integral part of these financial statements.

Signed and approved of issue on behalf of Management on April 30, 2025:

General Director

Mr Ustemirov B.

Chief Accountant

Ms. Alapshayeva G.

STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

<i>In thousands of Tenge</i>	Notes	2024	2023
OPERATING ACTIVITIES			
Profit before income tax		9 670 351	4 200 426
<i>Adjustments:</i>			
Interest income	4	(13 518 300)	(10 413 634)
Net expense from provisioning for expected credit losses	11	7 672 954	6 198 867
Interest expense on loans and borrowings	6	1 562 595	1 023 763
Depreciation and amortization	8	357 169	311 121
Corporate income tax paid		(1 411 112)	(1 214 774)
Corporate income tax accrued		(116 399)	-
Net loss/(gain) on foreign exchange transactions		742 714	49 030
Cash flows from operating activities before changes in loan portfolio and working capital		4 959 972	154 799
Increase in the amount of loans issued to customers		(15 159 155)	(817 548)
Proceeds from the sale of loan portfolios		1 625 840	2 594 350
Proceeds from sale of subsidiary		-	1 667 166
Increase/(decrease) in other liabilities		2 926 667	3 510 611
Increase in other assets		(1 247 543)	(2 395 457)
Net cash allocated to operating activities		(6 894 219)	4 713 921
INVESTING ACTIVITIES:			
Loans provided to related parties		(1 000 000)	(4 513 710)
Repayment of loans from related parties		3 554 334	7 252 038
Acquisition of investment securities		(1 467 790)	-
Acquisition of property, plant and equipment	12	(310 466)	(120 025)
Acquisition of intangible assets	13	(158 205)	-
Net cash allocated to investing activities		617 873	2 618 303

STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

<i>In thousands of Tenge</i>	Notes	2024	2023
FINANCIAL ACTIVITIES			
Receipt of credits and loans		13 243 985	4 863 090
Repayment of credits and loans		(5 381 866)	(5 591 584)
Interest paid on subordinated loans		(1 291 338)	(1 041 990)
Dividends paid		(6 316 805)	(4 431 758)
Receipt of subordinated loans		13 057 011	3 117 000
Repayment of subordinated loans		(6 724 513)	(4 000 000)
Payment of principal part of lease liabilities		(68 026)	(17 531)
Contribution to authorized capital		-	100 000
Net cash received from financing activities		6 518 448	(7 002 773)
Net (decrease)/increase in cash and cash equivalents		242 102	329 451
Effect of changes in foreign exchange rates on cash and cash equivalents		(12 914)	30 113
Cash and cash equivalents at the beginning of the period	10	638 780	279 216
Cash and cash equivalents at the end of the period	10	867 968	638 780

The notes to the financial statements form an integral part of these financial statements.

Signed and approved of issue on behalf of Management on April 30, 2025:

General Director

Mr Ustemirov B.

Chief Accountant

Ms. Alapshayeva G.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. GENERAL INFORMATION

Limited Liability Partnership “Microfinance Company “FintechFinance” (hereinafter referred to as the “Company”) was registered on the territory of the Republic of Kazakhstan on the basis of the Minutes of the General Meeting of Participants dated July 23, 2020 and operates in accordance with the legislation of the Republic of Kazakhstan. The registered office of the Company is located at: Republic of Kazakhstan, 050012, Almaty, Seifullin Ave., 502.

Since January 1, 2020, the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market has been regulating and supervising the Company's field of activity. On March 29, 2021, the Company was issued a license for microfinance activities number 02.21.0052.M.

The company represents the MoneyMan trademark in the territory of Kazakhstan. The main activity of the Company is the provision of payday microcredits to individuals for up to 45 days. Microcredits to individuals are issued on the basis of credit scoring, without collateral and collateral. The Company's products are characterized by high availability in the regions, as well as the speed of approval and issuance.

As of December 31, 2024, and at the date of issuance of these financial statements, the founders of the Company are:

Name of the shareholder	December 31, 2024		December 31, 2023	
	Share, %	Amount	Share, %	Amount
IDF Eurasia (Kazakhstan) Limited	99%	198,000	99%	99,000
Solva Group Ltd	1%	2,000	1%	1,000
	100%	200,000	100%	100,000

On June 23, 2023 the authorized capital of the Company increased to KZT 200,000 thousand due to additional proportional contributions made by the Participants of the Company in the amount of KZT 99,000 thousand by the Participant IDF Eurasia Limited and KZT 1,000 thousand by the Participant Solva Group Ltd. During 2024 there were no changes in the share capital.

On June 8, 2023, the Company sold 100% of outstanding common shares of MFO OnlineKazFinance LLP in favor of Solva Group Ltd. During 2024 there were no changes in the structure of shareholders.

These separate financial statements of the Company were approved for issue by the Company's management on April 30, 2025:

Conditions for conducting business activities in the Republic of Kazakhstan

The Company's activities are carried out in Kazakhstan. Accordingly, the Company's business is influenced by the economy and financial markets of Kazakhstan, which are characterized by characteristics of an emerging market. The legal, tax and administrative systems continue to evolve, however, they run the risk of ambiguous interpretation of their requirements, which are also subject to frequent changes. The presented financial statements reflect management's assessment of the possible impact of the existing conditions for the implementation of financial and economic activities on the results of operations and financial position of the Company. Subsequent developments in the operating environment may differ from management's estimate.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**Compliance Statement**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Financial Reporting Standards Board.

Fintechfinance LLP keeps records and provides financial statements in accordance with the requirements of the legislation in the field of accounting and taxation, as well as based on the practice applied in the Republic of Kazakhstan.

NOTES TO THE FINANCIAL STATEMENTSFor the year ended December 31, 2024

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

The presented financial statements have been prepared on the basis of primary accounting data. The Company's financial statements are presented in thousands of tenge, unless otherwise indicated.

Going concern

These financial statements have been prepared on the assumption that the Company will be able to continue as a going concern for the foreseeable future.

The Company continues to operate and has no intention of liquidating or terminating operations in the foreseeable future.

Segment reporting

The Company's operations constitute a single operating segment for the purposes of IFRS 8 Operating Segments. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company); whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Assets are concentrated primarily within the Republic of Kazakhstan and the majority of revenues and net income are derived from operations in and connected with the Republic of Kazakhstan.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Reporting principles**

The financial statements have been prepared in accordance with the historical cost principle, except for assets and liabilities carried at fair value.

b) Functional and presentation currency

The Company's functional currency is the Kazakhstani tenge, which, being the national currency of the Republic of Kazakhstan, best reflects the economic substance of most of the Company's transactions and related circumstances affecting its business. The Kazakhstani tenge is also the presentation currency for these financial statements. All figures presented in tenge have been rounded to the nearest thousand, unless otherwise indicated.

c) New and amended IFRSs effective for the current period

The Company has adopted the following new or revised standards and interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee (the "IFRIC") which became effective for the Company's financial statement for the year ended December 31, 2024:

In 2024, the Company applied the amendments below for the first time, but they had no impact on its financial statements.

Amendments to IFRS 16 "Leases" which introduce a new model for accounting of variable payments and will require seller-lessees to reassess and possibly restate sale-leaseback transactions

Amendments to IAS 1 "Presentation of Financial Statements" require to classify liabilities as current or noncurrent based on Company's rights to defer settlement for at least 12 months which must exist and have a substance as at the reporting date. Only covenants with which a company must comply on or before the reporting date may affect this right

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**c) New and amended IFRSs effective for the current period (continued)**

Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” which will introduce targeted disclosure requirements that will enhance transparency of supplier finance arrangements and their effects on Company’s liabilities and cash flows

(d) Significant assumptions and sources of uncertainty in estimates

In the process of applying the accounting policies, the Company's management makes assumptions, estimates and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are believed to be relevant in the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of loans and receivables

The Company regularly reviews its loans and receivables to assess for impairment. The Company's allowances for loan impairment are established to recognize expected impairment losses in its portfolio of loans and receivables. The Company considers accounting estimates related to allowance for impairment of loans and receivables a key source of estimation uncertainty because (a) they are highly susceptible to change from period to period as the assumptions about future default rates and valuation of potential losses relating to impaired loans and receivables are based on recent performance experience, and (b) any significant difference between the Company's estimated losses and actual losses incurred would require the Company to record a loss on its loans and receivables if there is a material weakness in its loan portfolio.

Key assumptions include the following:

- The Company continues to collect loans within 24 months of delinquency.
- Management bases its default rate projections on historical loss experience for assets with credit risk characteristics and objective evidence of impairment for each category of delinquency. The Company uses management's estimates to adjust existing data for a group of loans to reflect current circumstances not captured in historical data.
The Company considers a financial instrument to be in default when the borrower is 90 days past due on contractual payments.

Classification of subordinated loans received from related parties

In 2024, the Company raised additional subordinated loans from related parties totaling Tenge 13 057 011 thousand (2023 - Tenge 3,117,000 thousand). In 2022, the Company raised subordinated loans from related parties totaling Tenge 5,216,631 thousand. The Company has the right, at its discretion, to suspend payments of principal and interest at any time and for any period of time. In addition, the Company has the right to unilaterally extend the term of these agreements.

Considering the parameters of the subordinated loans, the Company's management concluded that these instruments meet the definition of an equity instrument under IAS 32.

NOTES TO THE FINANCIAL STATEMENTSFor the year ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Income from financial and credit activities**

Interest income is recorded in profit or loss using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of a financial instrument exactly to the gross carrying amount of a financial asset. When calculating the effective interest rate on financial instruments that are not acquired or created credit-impaired assets, the Company estimates future cash flows, taking into account all contractual terms of this financial instrument, but excluding expected credit losses. For acquired or created credit-impaired financial assets, the effective interest rate adjusted for credit risk is calculated using the amount of expected future cash flows, including expected credit losses..

(f) Significant assumptions and sources of uncertainty in estimates

For financial assets that have become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the financial asset is no longer credit-impaired, then the calculation of interest income is again carried out on the basis of gross book value.

Commission income and loan origination fees are reflected in the amount that the Company expects to receive in exchange for services rendered, and are recognized when or as the Company provides services to customers.

The company provides insurance agent services, offering insurance policies offering insurance policies against accidents, illnesses, and similar risks of various insurance companies at its retail credit points of sale, and receives an agency commission in proportion to the insurance premiums issued. Since the purchase of a life insurance policy is voluntary and is not a condition for obtaining a loan, it does not affect the interest rate on the loan. Therefore, commission income on agency services is not considered part of the effective interest rate. The service is considered to be rendered in full after the insurance policy (insurance contract) is issued, therefore, the Company recognizes the commission at the same time when the obligation to perform is fulfilled, i.e. an insurance policy (insurance contract) is concluded.

(g) Income tax

The amount of income tax includes the amount of current tax and the amount of deferred tax. The amount of current tax is calculated based on the estimated taxable annual income using the tax rates in effect or substantially enacted at the reporting date, including adjustments for income tax for previous years.

Deferred tax assets and deferred tax liabilities are recognized in respect of temporary differences arising between the carrying amount of assets and liabilities determined for the purposes of their reflection in the financial statements and their tax base.

Deferred tax assets are recognized in respect of unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profit will be obtained from which they can be realized. The amount of future taxable profit is determined based on the amount of the corresponding taxable temporary differences to be restored. The amount of deferred tax assets is analyzed as of each reporting date and decreases to the extent that the realization of the corresponding tax benefits is no longer probable. Such write-offs are subject to recovery if the probability of future taxable profit increases. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, free balances on bank accounts and funds in credit institutions with maturities of no more than 90 days from the date of occurrence, not encumbered by any contractual obligations.

NOTES TO THE FINANCIAL STATEMENTSFor the year ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Financial assets**

The Company recognizes a financial asset in the statement of financial position only when it becomes a party to the contract in respect of this financial instrument. At initial recognition, financial assets are measured at fair value, which, as a rule, is the transaction price, i.e. the fair value of the remuneration paid or received.

The Company classifies financial assets based on the business model used by the Company to manage financial assets and the characteristics of the financial asset related to the cash flows provided for in the contract.

Fair value is the price that would have been received upon the sale of an asset or paid upon the transfer of a liability during a voluntary transaction between market participants at the valuation date. After initial recognition, the fair value of financial instruments measured at fair value that are quoted in an active market is determined as a quotation for the purchase of assets and a quotation for the sale of issued liabilities at the measurement date.

If the market for financial assets is not active, then the Company evaluates the fair value using the following methods:

- analysis of transactions with the same instrument conducted recently between independent parties;
- current fair value of similar financial instruments;
- discounting future cash flows.

The discount rate reflects the minimum allowable return on invested capital, at which the investor will not prefer to participate in an alternative project to invest the same funds with a comparable degree of risk.

The main financial assets of the company are loans issued, accounts receivable and deposits concluded for a period of more than 3 months. The Company evaluates them at amortized cost, since both of the following conditions are met:

(a) the financial asset is held within the framework of a business model whose purpose is to hold financial assets in order to receive contractual cash flows; and

(b) the contractual terms of the financial asset stipulate the receipt of cash flows on the specified dates, which are exclusively payments against the principal amount of the debt and interest on the outstanding part of the principal amount of the debt.

(j) Financial liabilities

The Company recognizes a financial liability in the statement of financial position only when it becomes a party to the contract in respect of this financial instrument. At initial recognition, financial liabilities are measured at fair value, which, as a rule, is the transaction price, i.e. the fair value of the remuneration paid or received.

Initially, the Company measures a financial liability at its fair value less transaction costs that are directly attributable to the acquisition or issue of a financial liability.

The Company derecognizes financial liabilities only in the event of their repayment, cancellation or expiration of the claim on them.

When an existing financial liability is replaced by another liability to the same lender on substantially different terms, or the terms of an existing liability change substantially, such an exchange or change is accounted for as a write-off of the original liability and recognition of a new liability, and the difference in their carrying amounts is recognized in the income statement.

Financial liabilities carried at amortised cost

The composition of financial liabilities carried at amortised cost includes accounts payable on loans. Accounts payable on loans are recorded when counterparty financial institutions provide cash or other assets to the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**k) Impairment of financial assets**

Impairment losses on loans issued are calculated based on the model of forecasted expected credit losses (ECL). The provision for ECL is estimated at the amount of credit losses that are expected to occur over the life of the asset (expected credit losses for the entire term) if the credit risk for this financial asset has increased significantly since initial recognition.

Otherwise, the provision for losses will be estimated at an amount equal to 12-month expected credit losses. 12-month ECL is a part of the ECL for the entire term, representing the ECL that arise as a result of defaults on a financial instrument expected within 12 months after the reporting date. The full-term and 12-month ECL are calculated either on an individual basis or on a group basis, depending on the nature of the portfolio of financial instruments. The Company has established an assessment policy at the end of each reporting period as to whether there has been a significant increase in the credit risk of a financial instrument since initial recognition, by taking into account changes in the risk of default over the remaining life of the financial instrument. Based on the process described above, the Company groups the loans granted as follows:

- Stage 1.** Estimated loss allowance, estimated at an amount equal to 12-month expected credit losses. At this Stage, the Company includes contracts for which the following conditions are met: (1) the contract is not credit-impaired; (2) there is no significant increase in credit risk.
- This Stage includes non-overdue loans, as well as loans with a delay of 1 to 30 days inclusive.
- Stage 2.** Estimated loss allowance, estimated in an amount equal to the expected credit losses for the entire term. At this Stage, the Company includes contracts for which the credit risk has increased significantly since the date of initial recognition, but which are not credit-impaired. The criterion for increasing credit risk is an increase in the level of delinquency. Loans with a delay of 31 to 90 days inclusive belong to this stage.
- Stage 3.** Estimated provision for losses on financial assets that are credit-impaired at initial recognition. The criterion for recognizing a loan as credit-impaired is a significant increase in loan delinquency (i.e. default). Loans with a delay of more than 90 days belong to this stage. The assessment of expected credit losses (ECL) is carried out on a group basis. The amount of expected credit losses under the contract is estimated based on the probability of default (PD), the Magnitude, exposure to default risk (EAD), as well as the level of default losses (LGD).

The probability of default (PD) is a calculated estimate of the probability of default over a given time interval. Default can occur only at a certain point in time during the period under review, if the asset has not been derecognized and it is still part of the portfolio.

The amount at risk of default (EAD) is an estimated estimate of the amount at risk of default at any date in the future, taking into account the expected changes in this amount after the reporting date, including payments of the principal amount of debt and interest stipulated by the contract or otherwise, repayment of loans issued and interest accrued as a result of late payments.

The default Loss Rate (LGD) is a calculated estimate of losses incurred in the event of default at a certain point in time. LGD is calculated as the difference between the contractual cash flows and the cash flows that the lender expects to receive. This indicator is usually expressed as a percentage in relation to EAD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and provision for impairment.

At each reporting date, the Company evaluates fixed assets for any signs of impairment. If such an indication is identified, management estimates the recoverable amount, which is determined as the largest of two values: the fair value less the cost of selling the asset and the value of its use. If the carrying amount of property, plant and equipment exceeds its estimated recoverable amount, the carrying amount of the asset is reduced to its recoverable amount, and the difference is recorded as an impairment loss in the income statement.

Gains and losses arising from the disposal of fixed assets are determined on the basis of their carrying amount and are reflected as part of operating expenses in the income statement.

Repair and maintenance costs are recorded in the income statement as incurred.

Depreciation of fixed assets is accrued from the moment the facilities are ready for operation. Depreciation is charged on a straight-line basis over the useful lives of the assets.

Category of fixed assets	Useful life, months
Computers and peripherals	36 months
Machinery and equipment	60 months
Furniture	60 months
Other	36 months

(n) Lease agreements

In respect of contracts (or individual components of contracts) under which the right to control the use of an identified asset (as defined by IFRS 16 "Lease") is transferred to the Company for a certain period in exchange for compensation, the Company recognizes the asset in the form of a right of use and the corresponding obligation at the date of commencement of the lease.

In accordance with the requirements of IFRS 16 "Lease", the Company does not apply this standard to lease agreements for a period of less than 12 months, taking into account economically feasible extensions, as well as to lease agreements of assets with a low initial cost.

The Company defines the lease term as a non-cancellable lease period together with periods for which an option to extend the lease is provided if there is sufficient confidence that the lessee will exercise this option; and periods for which an option to terminate the lease is provided if there is sufficient confidence that the lessee will not exercise this option.

At the commencement date of the lease, the Company estimates the lease liability at the present value of lease payments that have not yet been made at that date. Discounting is carried out mainly using the interest rate of attracting additional borrowed funds by the lessee, since the rate stipulated in the lease agreement, as a rule, cannot be easily determined.

At the commencement date of the lease, the Company evaluates the asset in the form of a right of use at cost, which includes the amount of the initial assessment of the lease obligation, lease payments at or before the commencement date of the lease, less any incentive lease payments received, any initial direct costs incurred by the lessee, an estimate of the costs that will be incurred by the lessee during dismantling and relocation of the underlying asset, restoration of the site on which it is located, or restoration of the underlying asset to the condition that is required in accordance with the terms of the lease.

Lease payments are evenly distributed between finance costs and the reduction of lease obligations to ensure a constant interest rate on the remaining liabilities. Financial expenses are reflected in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Intangible assets

Intangible assets include investments in software licenses and its adaptation to the needs of the client.

Intangible assets with finite useful lives acquired in separate transactions are carried at cost less accumulated depreciation and accumulated impairment loss. Depreciation is accrued on a straight-line basis over the useful life of intangible assets. The expected useful lives and depreciation method are analyzed at the end of each reporting period, while all changes in estimates are reflected in accounting and reporting in subsequent periods.

(p) Share capital and dividends

The contributions of the participants of the partnership are included in the authorized capital.

(q) Contingent assets and liabilities

Contingent assets are not recognized in the statement of financial position, but are disclosed in the financial statements when an inflow of economic benefits is probable.

Contingent liabilities are not recognized in the statement of financial position, but are disclosed in the financial statements, unless an outflow of funds as a result of their repayment is unlikely.

(r) Foreign currency

When preparing financial statements, transactions in currencies other than the functional currency of the company ("foreign currencies") are reflected at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the appropriate exchange rate at the reporting date. For the purposes of these financial statements, the company has applied the following exchange rates:

Currency	Closing exchange rate		Average exchange rate	
	December 31, 2024	December 31, 2023	2024	2023
US Dollar	523,54	454,56	456,24	456,24
Euro	546,47	502,24	493,19	493,19
Russian Ruble	4,99	5,06	5,42	5,42

(s) Interest income and expenses

Interest income and expenses are recorded in profit or loss using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of a financial instrument exactly up to:

- the gross carrying amount of the financial asset; or
- amortised cost of a financial liability.

The calculation of the effective interest rate includes transaction costs, as well as fees and amounts paid or received, which are an integral part of the effective interest rate. Transaction costs include additional costs directly related to the acquisition or issue of a financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTSFor the year ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(t) Value added tax**

Tax legislation provides for the repayment of value added tax (VAT) on sales and acquisitions on a net basis. Thus, VAT recoverable is VAT on purchases, less VAT on sales.

VAT payable

VAT payable is accrued in accounting on income from the sale of goods, works and services subject to VAT, in accordance with the Tax Code of the Republic of Kazakhstan. In addition, in cases where a provision for impairment of accounts receivable is accrued, the amount of impairment is accrued on the gross amount of debt, including VAT.

VAT recoverable

VAT recoverable is reflected in the accounting for purchased goods, works and services that were purchased with VAT and, if any, were used to generate income. At each reporting date, the amount of the VAT invoice to be refunded is offset against the amount of the VAT invoice to be paid.

(u) Deductions from employee benefits

The Company pays social tax and social deductions in accordance with the tax legislation of the Republic of Kazakhstan at the rates of 9.5% and 3.5%, respectively, of wages and compulsory medical insurance (CSHI) at the rate of 3% from January 1, 2023, and also withholds and transfers CSHI contributions at the rate of 2% of the accrued income. Effective January 1, 2024, mandatory employer pension contributions (MEPC) at the rate of 1.5% of each employee's monthly income were introduced

The company withholds 10% of its employees' salaries as contributions to their pension funds.

The Company also withholds income tax from employees' wages at a flat rate of 10%, and pays it to the budget of the Republic of Kazakhstan.

Estimated liabilities

Estimated liabilities are recognized if the Company has an existing obligation (legal or due to practice) arising as a result of a past event; an outflow of economic benefits that will be required to settle this obligation is probable, and a reliable estimate of the amount of such obligation can be obtained. If the Company expects to receive compensation for some or all of the estimated liabilities, for example, under an insurance contract, compensation is recognized as a separate asset, but only if the receipt of compensation is beyond doubt. The expense related to the estimated liability is reflected in the statement of profit or loss, net of reimbursement.

If the effect of the time value of money is significant, the estimated liabilities are discounted at the current pre-tax rate, which reflects, where applicable, the risks specific to the specific liability. If discounting is applied, the increase in the estimated liability over time is recognized as a financing cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4. INTEREST INCOME

For the year ended 31 December 2024 interest income is as follows:

<i>In thousands of Tenge</i>	2024	2023
Short-term loans to individuals	11 244 536	7 933 520
Penalties on short-term loans to individuals	4 429 600	1 486 717
Loans to related parties	275 337	928 534
Short term deposits	80 741	64 863
Debt securities held to maturity	14 118	-
Reverse REPOs with financial institutions	142	-
Total	16 044 474	10 413 634

5. AGENCY COMMISSION INCOME

For the year ended 31 December 2024, agency commission income is as follows:

<i>In thousands of Tenge</i>	2024	2023
Loans to individuals for up to 3 years		
Sale of insurance services	13 772 237	5 933 850
Total, commission and agency contracts	13 772 237	5 933 850

For the conclusion of insurance contracts, the Company receives agency fees and recognizes income from such fees at the time the insurance contract is entered into.

6. INTEREST EXPENSES

For the year ended 31 December 2024, interest expenses are as follows:

<i>In thousands of Tenge</i>	2024	2023
Interest expense on loans and credits	1 497 550	1 014 459
Borrowings from banks and other financial institutions	47 723	-
Interest expense on rent	17 322	9 304
Total	1 562 595	1 023 763

7. OPERATING EXPENSES

For the year ended 31 December 2024 operating expenses are as follows:

<i>In thousands of Tenge</i>	2024	2023
Advertising and marketing	3 658 556	1 490 182
Collection services	1 349 299	736 024
Commission and agency	788 034	475 837
Scoring and verification	631 077	336 897
Customer support	225 651	216 153
Total	6 652 617	3 255 093

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

8. GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended 31 December 2024, general and administrative expenses are as follows:

<i>In thousands of Tenge</i>	2024	2023
Office expenses	193 260	106 766
Payroll and bonus expenses, taxes and payroll deductions	1 228 697	724 633
Amortization of intangible assets	239 254	239 296
Software maintenance	77 723	75 391
Professional Services	906 811	86 123
Depreciation of fixed assets	117 915	71 825
Bank commissions	69 573	22 791
Other	682 044	295 079
Total	3 515 277	1 621 904

9. CORPORATE INCOME TAX EXPENSE

<i>In thousands of Tenge</i>	2024	2023
Corporate income tax expense	(1 886 825)	(627 712)
Deferred income tax benefit	160 532	(10 389)
Total	(1 726 293)	(638 101)

The corporate income tax rate is 20%.

The amount of income tax calculated based on the current income tax rates and the amount of profit before tax differs from the amount of income tax recognized in profit or loss due to the following factors:

<i>In thousands of Tenge</i>	2024	2023
Profit before tax	9 677 753	4 200 426
Income tax calculated at the rate of 20% established by law	(1 935 551)	(840 085)
Interest expense on subordinated loans recognized in equity	257 826	208 398
Non-deductible expenses	(48 568)	(6 414)
	(1 726 293)	(638 101)

Deferred taxes

December 31, 2024	January 1, 2024	Recognized in profit or loss as part of income tax expense	December 31, 2024
Fixed assets and intangible assets	(70 221)	(419)	(70 641)
Other liabilities	24 458	162 582	187 039
Loans and credits	1 631	(1 631)	-
	(44 133)	160 532	116 399

December 31, 2023	January 1, 2023	Recognized in profit or loss as part of income tax expense	December 31, 2023
Fixed assets and intangible assets	(72 052)	1 831	(70 221)
Other liabilities	35 735	(11 278)	24 458
Other financial assets	2 573	(2 573)	-
Loans	-	1 631	1 631
	(33 744)	(10 389)	(44 133)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

10. CASH AND CASH EQUIVALENTS

For the year ended 31 December 2024, cash is as follows:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Cash on current and transit bank accounts	169 338	415 642
Cash in transit	127 495	219 931
Cash in hand	172 625	3 207
Short-term deposits (less than 90 days)	398 510	-
Total cash and cash equivalents	867 968	638 780

There are no restrictions on the use of cash and cash equivalents.

For the purposes of measuring expected credit losses, cash and cash equivalents are included in Stage 1. The expected credit losses on these balances are negligible, so the Company does not create a credit loss allowance for cash and cash equivalents.

11. LOANS ISSUED TO CUSTOMERS

For the year ended 31 December 2024 loans to customers are as follows:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Loans to individuals	39 026 864	13 560 472
Loans to customers measured at amortized cost before allowance	39 026 864	13 560 472
Allowance for expected losses on loans to individuals	(8 873 719)	(3 910 800)
Less: allowance for expected credit losses	(8 873 719)	(3 910 800)
Loans to individuals, total	30 153 145	9 649 672
Total loans to customers at amortized cost less allowance for expected losses	30 153 145	9 649 672

The table below shows the breakdown of the accrued and used reserve for credit losses for the reporting period:

<i>In thousands of Tenge</i>	2024	2023
At the beginning of the period	(3 910 800)	(4 534 428)
Accrual of provision	(7 803 644)	(6 288 675)
Write-off of the provision due to sale of the portfolio	2 373 885	6 347 324
Other changes in the reserve	466 840	564 979
At the end of the period	(8 873 719)	(3 910 800)

Stage 1 includes non-overdue loans, as well as loans with a delay of 1 to 30 days inclusive. Stage 2 includes loans with a delay of 31 to 90 days inclusive, Stage 3 includes loans with a delay of more than 90 days.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

11. LOANS ISSUED TO CUSTOMERS (CONTINUED)

The following is an analysis of changes in gross balance value and related ECL for the twelve months ended December 31, 2024:

<i>In thousands of Tenge</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Gross book value as of January 1, 2024	7 148 961	4 232 780	2 178 731	-	13 560 472
Newly created or acquired assets	92 572 663	-	-	375 928	92 948 591
Accrual of loans	13 934 510	1 622 091	70 248	47 287	15 674 136
Assets that have been repaid	(77 704 730)	(244 468)	(54 315)	(136 139)	(78 139 652)
Assets that have been sold	2 936	3 328	(3 606 212)	-	(3 599 948)
Write-off	(399 376)	-	(1 196)	-	(400 572)
Other balance changes	(1 016 163)	-	-	-	(1 016 163)
Transfers to Stage 1	1 417 086	(1 417 086)	-	-	-
Transfers to Stage 2	(15 209 945)	15 334 311	(124 366)	-	-
Transfers to Stage 3	-	(4 295 279)	4 295 279	-	-
As of December 31, 2024	20 745 942	15 235 677	2 758 169	287 076	39 026 864

The following is an analysis of changes in gross book value and corresponding ECL for the twelve months ended December 31, 2024:

<i>In thousands of Tenge</i>	Stage 1	Stage 2	Stage 3	POCI	Total
ECL as of January 1, 2024	(540 220)	(2 004 666)	(1 365 915)	-	(3 910 801)
Newly created or acquired assets	(2 228 689)	-	-	-	(2 228 689)
Assets that have been repaid	3 871 298	109 045	36 700	-	4 017 043
Assets that have been sold	(146)	(1 484)	2 375 515	-	2 373 885
Write-off	45 382	287 371	134 088	-	466 841
Other balance changes	1 016 163	-	-	-	1 016 163
Transfers to Stage 1	(632 092)	632 092	-	-	-
Transfers to Stage 2	757 768	(841 802)	84 034	-	-
Transfers to Stage 3	-	2 902 302	(2 902 302)	-	-
Impact on expected credit losses (ECL) as at the end of the reporting period due to transfers between stages and changes in the underlying assumptions used in the ECL assessment	(2 788 923)	(7 458 934)	(360 304)	-	(10 608 161)
As of December 31, 2024	(499 459)	(6 376 076)	(1 998 184)	-	(8 873 719)

The following is an analysis of changes in gross book value and corresponding ECL for the twelve months ended December 31, 2023:

<i>In thousands of Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Gross book value as of January 1, 2023	4 233 762	2 075 436	3 939 483	10 248 681
Newly created or acquired assets	43 490 126	-	-	43 490 126
Accrual of loans	8 805 012	612 547	2 677	9 420 236
Assets that have been repaid	(39 693 678)	(92 871)	(75 611)	(39 862 160)
Assets that have been sold	3 733	-	(9 407 713)	(9 403 980)
Other balance changes	(315 288)	-	(17 143)	(332 431)
Transfers to Stage 1	441 919	(441 919)	-	-
Transfers to Stage 2	(9 816 625)	9 988 494	(171 869)	-
Transfers to Stage 3	-	(7 908 907)	7 908 907	-
As of December 31, 2023	7 148 961	4 232 780	2 178 731	13 560 472

<i>In thousands of Tenge</i>	Stage 1	Stage 2	Stage 3	Total
ECL as of January 1, 2023	(410 345)	(1 220 102)	(2 903 980)	(4 534 427)
Newly created or acquired assets	(3 286 383)	-	-	(3 286 383)
Assets that have been repaid	3 423 345	49 290	51 570	3 524 205
Assets that have been sold	(322)	-	6 347 646	6 347 324
Transfers to Stage 1	(234 545)	234 545	-	-
Transfers to Stage 2	846 626	(963 847)	117 221	-
Transfers to Stage 3	-	5 394 187	(5 394 187)	-
Other change in the reserve	(878 596)	(5 498 739)	415 816	(5 961 519)
As of December 31, 2023	(540 220)	(2 004 666)	(1 365 914)	(3 910 800)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

12. PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2024 property, plant and equipment are presented as follows:

	Other fixed assets	Assets in the form of right of use	Total fixed assets
<i>In thousands of Tenge</i>			
<i>Balance value</i>			
As at January 1, 2024	173 996	131 385	305 381
Additions	120 278	190 188	310 466
Disposals	(773)	(154 575)	(155 348)
As at December 31, 2024	293 501	166 998	460 499
<i>Accumulated depreciation</i>			
As at January 1, 2024	(63 719)	(50 713)	(114 432)
Depreciation charge	(62 777)	(157 357)	(220 134)
Depreciation on disposal	793	101 426	102 219
As at December 31, 2024	(125 703)	(106 644)	(232 347)
<i>Residual value</i>			
As at January 1, 2024	110 280	80 672	190 952
As at December 31, 2024	167 798	60 354	228 152

	Other fixed assets	Assets in the form of right of use	Total fixed assets
<i>In thousands of Tenge</i>			
<i>Balance value</i>			
As at January 1, 2023	80 464	105 136	185 600
Additions	93 776	26 249	120 025
Disposals	(244)	-	(244)
As at December 31, 2023	173 996	131 385	305 381
<i>Accumulated depreciation</i>			
As at January 1, 2023	(24 140)	(18 570)	(42 710)
Depreciation charge	(39 682)	(32 143)	(71 825)
Depreciation on disposal	106	-	106
As at December 31, 2023	(63 716)	(50 713)	(114 429)
<i>Residual value</i>			
As at January 1, 2023	56 324	86 566	142 890
As at December 31, 2023	110 280	80 672	190 952

The change in the net book value of assets in the form of right of use for 2024 and for 2023 is presented in the table below:

<i>In thousands of Tenge</i>	2024	2023
Net book value as of January 1	80 672	86 566
Impact of new contracts	190 188	26 249
Accrual of depreciation	(157 357)	(32 143)
Disposals	(53 149)	-
Net book value as of December 31	60 354	80 672

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The change in the carrying amount of lease obligations for 2024 and for 2023 is presented below:

<i>In thousands of Tenge</i>	2024	2023
Obligation under lease agreements as of January 1	(81 235)	(86 566)
Impact of new contracts	(58 803)	(20 463)
M Interest expense	68 026	(15 998)
Payments	(81 235)	41 793
Disposals	23 191	-
Obligation under lease agreements as of December 31	(81 235)	(81 235)

13. INTANGIBLE ASSETS

As of December 31 , 2024, intangible assets are as follows:

<i>In thousands of Tenge</i>	Software
<i>Balance value</i>	
As of January 1 , 2024	1 239 230
Receipts/Disposals	158 205
As of December 31, 2024	1 397 435
<i>Accumulated depreciation</i>	
As of January 1 , 2024	(507 084)
Depreciation charges for the period	(239 254)
As of December 31, 2024	(746 338)
<i>Residual value</i>	
As at January 1, 2024	732 145
As at December 31, 2024	651 096

As of December 31 , 2023, intangible assets are as follows:

<i>In thousands of Tenge</i>	Software
<i>Balance value</i>	
As of January 1 , 2023	1 239 229
Receipts/Disposals	-
As of December 31, 2023	1 239 229
<i>Accumulated depreciation</i>	
As of January 1 , 2023	(267 788)
Depreciation charges for the period	(239 296)
As of December 31, 2023	(507 084)
<i>Residual value</i>	
As at January 1, 2023	971 441
As at December 31, 2023	732 145

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

14. INVESTMENTS SECURITIES

As at December 31, 2024, and December 31, 2023, investment securities include the following debt securities measured at amortized cost:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Republic of Kazakhstan sovereign bonds issued in foreign currencies	1 568 545	-
Total debt securities at amortized cost	1 568 545	-

Investment securities at amortized cost include debt securities, namely foreign currency-denominated sovereign bonds of the Republic of Kazakhstan (denominated in euro, maturing on 30 September 2026, with a coupon rate of 0.6%). These bonds are included in the KASE Lombard List and are held in a central depository. The duration of these instruments approximately matches the Company's foreign currency risk profile.

15. OTHER ASSETS

As of December 31, 2024, and December 31, 2023, other assets are as follows:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Other financial assets		
Receivables from the sale of portfolios	-	463 463
Settlements with Mintos	-	337 732
Insurance company accounts receivable	88 043	184 553
Other	819	8 490
Total other financial assets	88 862	994 238
Other non-financial assets		
VAT recoverable	30 119	39 706
Short-term advances issued	669 955	51 230
Other	37 113	9 060
Total other non-financial assets	737 187	99 996
	826 049	1 094 234

16. LOANS AND CREDITS

As of December 31, 2024, and December 31, 2023, the following loans were provided:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Loans and credits issued through regulated trading platforms	15 119 058	4 927 248
Intra-group loans	-	615 947
Total	15 119 058	5 543 195

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024
16. LOANS AND CREDITS (CONTINUED)

<i>In thousands of Tenge</i>	Currency	Period	Remuneration rate		December 31, 2023	December 31, 2022
MINTOS FINANCE SIA (Latvia)	Euro	30.12.2026	10,0% - 16,1% (per annum)	Loan	13 277 581	4 014 084
				Interest	156 564	43 383
MINTOS FINANCE SIA (Latvia)	Tenge	30.12.2026	18%-23,9% (per annum)	Loan	1 656 256	855 061
				Interest	28 657	14 719
MFO Onlinekazfinance LLP (Kazakhstan)	Tenge	30.09.2026	8-18%% (per annum)	Loan	-	610 000
				Interest	-	5 948
Total					15 119 058	5 543 195

MINTOS FINANCE SIA

The Company entered into a credit line agreement with the regulated loan marketplace MINTOS FINANCE SIA in the amount of EUR 35,000,000, with a maturity date of December 30, 2026. The interest rate is floating and depends on the amount of the agreed credit facility. The funds were obtained for the purpose of lending to individuals. In accordance with the terms of the agreement, both principal and interest are repaid on a monthly basis..

The changes in liabilities arising from financial activities are presented below:

<i>In thousands of Tenge</i>	2024	2023
As of January 1	5 543 195	4 417 210
Receipt of loans	3 075 000	1 022 000
Repayment of loans	(3 685 000)	(1 322 000)
Netting	-	(1 500 000)
Accrual of remuneration	1 232 808	856 819
Remuneration paid	(15 175)	(247 414)
Receipt of Mintos loans	52 872 436	25 691 592
Offsetting on Mintos loans	(44 492 794)	(23 283 091)
CIT expenses (at the source of payments)	(185 838)	(129 078)
Loss (gain) from the impact of foreign exchange differences	774 426	37 157
As of December 31	15 119 058	5 543 195

17. DIRECT REPO TRANSACTION

As at December 31, 2024, and December 31, 2023, the following direct repurchase (REPO) agreements were in place:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Direct repurchase (REPO) agreements	1 279 668	-
Total	1 279 668	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

17. DIRECT REPO TRANSACTION (CONTINUED)

As at December 31, 2024, the Company maintained a brokerage account holding 3,000,000 units of KZ_14_2609 securities (ISIN XS2050933899). In addition, the Company had entered into direct repurchase (REPO) agreements in the amount of KZT 1,279,668 thousand, with euro-denominated sovereign bonds of the Republic of Kazakhstan serving as the underlying assets. As at December 31, 2023, the Company had no outstanding direct REPO agreements..

18. OTHER LIABILITIES

As of December 31, 2024, and December 31, 2023, the Company has the following balances with related parties for all concluded contracts:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Other financial liabilities		
Accounts payable to suppliers and contractors	3 254 487	436 561
Dividends payable	369 274	2 670 474
Lease obligations	66 143	81 235
Financial guarantee	-	40 428
Other	1 505 024	29 796
Total other financial liabilities	5 194 928	3 258 494
Other non-financial liabilities		
Estimated liabilities	190 276	122 288
Taxes and contributions other than corporate income tax	20 163	61 992
Other	279 958	293 065
Total other financial liabilities	490 397	477 345
Total other liabilities	5 685 325	3 735 839

19. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, related parties are considered to be parties, one of which has the ability to control or exercise significant influence on the financial and operational decisions of the other party, as defined in *IAS 24 Disclosure of information about related Parties*. When deciding whether the parties are related, the content of the relationship between the parties is taken into account, and not only their legal form.

For the purposes of presenting these financial statements, the related parties of the Company are key management personnel and organizations in which a significant share belongs, directly or indirectly, to the key management personnel of the Company, as well as participants and organizations controlled by participants.

During 2024 and 2023, the Company carried out the following transactions with the parent company and related parties:

<i>In thousands of tenge</i>	2023	2022
Interest income	275 337	928 534
<i>Entities under common control</i>	255 998	928 534
<i>Parent company</i>	19 339	-
Recovery (expense) from provision for expected credit losses	90 262	77 179
<i>Entities under common control</i>	67 014	77 179
<i>Parent company</i>	23 248	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

19. RELATED PARTY TRANSACTIONS (CONTINUED)

<i>In thousands of tenge</i>	2024	2023
Interest expense	(53 457)	(144 354)
<i>Entities under common control</i>	(53 457)	(144 354)
General economic expenses	(50 043)	(102 535)
<i>Entities under common control</i>	(50 043)	(102 535)
Administrative expenses	(1 536 178)	(335 264)
<i>Entities under common control</i>	(1 410 734)	(53 602)
<i>Parent company</i>	-	(218 824)
<i>Key management personnel</i>	(95 963)	(62 838)

General and administrative expenses include consulting services, software maintenance services and payroll expenses.

As of December 31, 2024 and December 31, 2023, the Company has the following balances with related parties for all concluded contracts:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Loans issued to related parties	1 054 125	3 354 826
<i>Entities under common control</i>	684 402	3 354 826
<i>Parent company</i>	369 723	-
Subordinated loans	(11 322 477)	(4 989 979)
<i>Entities under common control</i>	(6 402 449)	(4 989 979)
<i>Parent company</i>	(4 920 028)	-
Accounts receivable for settlements with related parties	38 344	-
<i>Entities under common control</i>	38 344	-
Other non-financial assets	12 000	-
<i>Entities under common control</i>	12 000	-
Other financial liabilities	(369 274)	-
<i>Entities under common control</i>	(369 274)	-
Share capital	(200 000)	-
<i>Entities under common control</i>	(2 000)	-
<i>Parent company</i>	(198 000)	-
Payment of interest on subordinated loans	1 291 338	-
<i>Entities under common control</i>	723 373	-
<i>Parent company</i>	567 965	-

Related parties may enter into transactions that would not be conducted between unrelated parties.

The prices and terms of such transactions may differ from the prices and terms of transactions between unrelated parties.

Remuneration of key management personnel

The total amount of remuneration to key management personnel included in administrative expenses in the statement of comprehensive income for the year ended December 31, 2024, is 95,963 thousand tenge (2023: 62,838 thousand tenge).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

20. FINANCIAL RISK MANAGEMENT

The general management of risk management is carried out by the General Director. Its competence, in particular, includes: 1) approval of the basic principles of risk management and assessment of the adequacy of the Company's organizational structure to these principles; 2) monitoring the activities of the Company's risk management units, identifying weaknesses in risk management and taking appropriate measures.

Financial risk management is carried out through the establishment of limit restrictions on operations, compliance with which is mandatory for the relevant departments and officials of the Company authorized to conduct these operations.

The Company's structural divisions regularly compile management reporting forms that provide the Company's management bodies with the information necessary for decision-making. The main risks listed below are managed and assessed by the Company on an ongoing basis.

(a) Credit risk

The Company assumes credit risk, namely the risk that the borrower will not be able to repay the debt in full on time. When performing operations that carry credit risk, restrictions on credit risk are established in the form of setting limits on borrowers / credit products / other sections of the loan portfolio. At the same time, the Company automated the process of managing limits and restrictions in order to timely monitor and eliminate the causes of increased credit risk.

The purpose of credit risk management is to minimize the Company's losses due to non-fulfillment by borrowers of their obligations and maximize the profitability of the Company taking into account credit risk.

Credit risk management tasks:

- analysis and assessment of credit risks;
- determining the magnitude of risks;
- credit risk management;
- monitoring the effectiveness of credit risk management.

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Loans to customers	30 153 145	9 649 672
Investment securities at amortized cost	1 568 545	-
Loans issued to related parties	1 054 125	3 354 826
Cash and cash equivalents	867 968	638 780
Other financial assets	88 862	994 238
Total financial assets	33 732 645	14 637 516

Cash and deposit

As part of credit risk and liquidity risk management, the Company regularly analyzes the financial stability of financial and banking institutions in which it places cash and cash equivalents. Cash and cash equivalents were placed in large banks of Kazakhstan with a credit rating from B to BBB-.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

The following is a classification of the Company's other non-past due and non-impaired financial assets by credit ratings:

December 31, 2024	A+	BBB-	BB	B+	B	No rating	Total
Cash and cash equivalents	-	431 347	81 192	124	55 185	300 120	867 968
Halyk Bank of Kazakhstan JSC	-	431 347	-	-	-	-	431 347
JSC "ForteBank"	-	-	77 464	-	-	-	77 464
JSC "Bank CenterCredit"	-	-	3	-	-	-	3
Nurbank JSC	-	-	-	-	55 185	-	55 185
JSC "Eurasian Bank"	-	-	3 725	-	-	-	3 725
JSC "Freedom Bank Kazakhstan"	-	-	-	124	-	-	124
Cash	-	-	-	-	-	172 625	172 625
Cash in transit	-	-	-	-	-	127 495	127 495
Loans issued to related parties	-	-	-	-	1 054 125	-	1 054 125
Total	-	431 347	81 192	124	1 109 310	300 120	1 922 093

December 31, 2023	A+	BB+	BB-	B+	B	No rating	Total
Cash and cash equivalents	-	9 733	7 899	202 010	-	3 207	222 849
Halyk Bank of Kazakhstan JSC	-	9 733	-	-	-	-	9 733
JSC "ForteBank"	-	-	5 221	-	-	-	5 221
JSC "Bank CenterCredit"	-	-	1 385	-	-	-	1 385
Nurbank JSC	-	-	-	202 010	-	-	202 010
JSC "Eurasian Bank"	-	-	1 293	-	-	-	1 293
Cash	-	-	-	-	-	3 207	3 207
Cash in transit	-	-	-	-	-	-	-
Loans issued to related parties	-	-	-	3 445 088	-	-	3 445 088
Total	-	9 733	7 899	3 647 098	-	3 207	3 667 937

When distributing assets by rating groups, the ratings of the international rating agency S&P were used, and in its absence, Fitch and Moody's.

Loan portfolio

The company uses a multi-factor system for evaluating loans to customers.

The development, updating and monitoring of compliance with credit risk restrictions in the Company is carried out by the Risk Management Service. When assessing the risk level for all assets exposed to credit risk, a portfolio approach is used, when the risk level is assessed by a pool of homogeneous loans combined into portfolios, without analyzing individual loans (individual approach). The fundamental criterion for combining loans into one portfolio is the product under which they are provided: a consumer loan to individuals for up to three years.

When assessing the loan portfolio, the Risk Management Service evaluates the concentration of risk in the loan portfolio. Concentration takes many forms and occurs when a significant number of loans have similar characteristics. The Company takes into account the diversification of the loan portfolio according to a number of criteria, the key of which are: urgency, the number of requests from the borrower, the established interest rates, the number of days overdue.

The main aspect of assessing the quality of the Company's loan portfolio is the analysis of the level of overdue principal debt: it regularly analyzes the volume and dynamics of overdue principal debt in order to monitor the compliance of actual indicators with planned ones.

The analysis of loans by the terms that have elapsed since the payment was delayed is presented below.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Loans to individuals as of December 31, 2024:

Loans to individuals	Loans to customers	Provision for credit losses	Loans to customers, net of provision
Overdue	16 204 601	(185 737)	16 018 864
Overdue for a period of 1-30 days	5 398 919	(313 722)	5 085 197
Overdue for a period of 31-90 days	14 771 883	(6 376 076)	8 108 732
Overdue for more than 90 days	2 651 461	(1 998 184)	653 277
Total principal debt	39 026 864	(8 873 719)	30 153 145

Loans to individuals as of December 31, 2023:

Loans to individuals	Loans to customers	Provision for credit losses	Loans to customers, net of provision
Overdue	4 956 527	(186 394)	4 770 133
Overdue for a period of 1-30 days	2 192 434	(353 826)	1 838 608
Overdue for a period of 31-90 days	4 232 780	(2 004 666)	2 228 114
Overdue for more than 90 days	2 178 731	(1 365 914)	812 817
Total principal debt	13 560 472	(3 910 800)	9 649 672

As a result of the implementation of modern debt collection procedures in 2024, the Company significantly reduced its Loss Given Default (LGD), which allowed for a relatively lower recognition of expected credit loss provisions.

(b) Liquidity risk

Liquidity risk is the risk of a mismatch between the terms of a claim for active transactions and the maturities of obligations.

Liquidity assessment is carried out:

- depending on the number of assets available to the Company and the possible timing of their implementation without significant losses for the Company;
- depending on the existing obligations, their maturity dates and the dynamics of changes in the number of obligations over time.

A position is considered risky if liquid assets and the projected inflow of financial resources are insufficient to fulfill obligations for a certain period of time.

Coordination of liquidity management activities is carried out by the CEO or his Deputy, by monitoring short-term, medium-term and long-term liquidity.

Liquidity risk is regulated by controlling the deficit/excess of monetary resources, distribution and redistribution of monetary resources by instruments, depending on the maturity dates, the degree of their liquidity and the level of profitability. Liquidity management requires an analysis of the level of liquid assets required to settle liabilities at maturity; providing access to various sources of financing; availability of plans in case of problems with financing and monitoring compliance of balance sheet liquidity ratios with the requirements of the legislation of the National Bank of the Republic of Kazakhstan. As of December 31, 2023 and as of December 31, 2022, the performance indicators of the standards exceeded the threshold values.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

The tables below show the distribution of discounted contractual amounts of cash flows for financial assets and financial liabilities of the Company by contractual terms remaining to maturity:

<i>As of December 31, 2024</i>	Within 1 month	From 2 to 3 months	From 4 months to 1 year	From 1 year to 2 years	More than 2 years	Book value
Financial assets						
Cash and cash equivalents	867 968					867 968
Loans to customers	24 799 567	193 217	4 858 964	14 321	287 076	30 153 145
Loans issued to related parties				748 038	306 087	1 054 125
Investment securities at amortized cost	-			1 568 545		1 568 545
Other financial assets	88 862	-				88 862
Total financial assets	25 756 397	193 217	4 858 964	2 330 904	593 163	33 732 645
Financial obligations						
Loans and credits	12 522 487	249 092	2 347 479			15 119 058
Direct REPO agreements	1 279 668					1 279 668
Other financial liabilities	5 133 437	9 560	46 691	5 240	-	5 194 928
Total financial liabilities	18 935 592	258 652	2 394 170	5 240	18 935 592	21 593 654
Net liquidity position as of December 31, 2023	6 820 805	(65 435)	2 464 794	2 325 664	593 163	12 138 991
Total liquidity position as of December 31, 2023	6 820 805	6 755 370	9 220 164	11 545 828	12 138 991	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

<i>As of December 31, 2023</i>	Within 1 month	From 2 to 3 months	From 4 months to 1 year	From 1 year to 2 years	More than 2 years	Book value
Financial assets						
Cash and cash equivalents	638 780	-	-	-	-	638 780
Loans to customers	8 718 303	173 303	758 066	-	-	9 649 672
Loans issued to related parties	12 385	-	37 111	1 562 850	1 742 480	3 354 826
Other financial assets	994 238	-	-	-	-	994 238
Total financial assets	10 363 706	173 303	795 177	1 562 850	1 742 480	14 637 516
Financial liabilities						
Loans and credits	4 933 195	610 000	-	-	-	5 543 195
Other financial liabilities	475 431	4 837	2 694 113	43 685	40 428	3 258 494
Total financial liabilities	5 408 626	614 837	2 694 113	43 685	40 428	8 801 689
Net liquidity position as of December 31, 2021	4 955 080	(441 534)	(1 898 936)	1 519 165	1 702 052	5 835 827
Total liquidity position as of December 31, 2021	4 955 080	4 513 547	2 614 610	4 133 775	5 835 827	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

The tables below show the distribution of undiscounted contractual cash flows for financial liabilities (including future interest payments) Companies by contractual terms remaining until maturity:

As of December 31, 2024	Within 1 month	From 2 to 3 months	From 4 months to 1 year	From 1 year to 2 years	More than 2 years	Book value
Financial obligations						
Loans and credits	12 522 487	249 092	2 347 479	-	-	15 119 058
Other financial liabilities	5 133 436	9 560	46 691	5 240	-	5 194 927
Total financial liabilities	17 655 923	258 652	2 394 170	5 240	-	20 313 985
As of December 31, 2023	Within 1 month	From 2 to 3 months	From 4 months to 1 year	From 1 year to 2 years	More than 2 years	Book value
Financial obligations						
Loans and credits	4 933 195	610 000	-	-	-	5 543 195
Other financial liabilities	475 430	4 836	2 694 113	43 685	40 428	3 258 492
Total financial liabilities	5 408 625	614 836	2 694 113	43 685	40 428	8 801 687

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

20. FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Market risk**

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market parameters. Given that the Company does not attract or issue instruments with floating interest rates, as well as does not attract equity instruments, the company's Management assesses the impact of changes in the exchange rate as a key market parameter affecting the Company's future cash flows.

Currency risk is the risk of losses due to adverse changes in foreign exchange rates on open positions in foreign currencies.

The Company manages currency risk by balancing financial assets and financial liabilities denominated in Russian rubles, US dollars and euros. The Company also hedges foreign currency risk through repurchase (REPO) transactions involving foreign currency-denominated bonds.

Currency risk is assessed monthly using sensitivity analysis. The table below shows the change in the Company's profit before tax, taking into account the historical volatility of currencies against tenge and the currency position at the end of each reporting period. Such an analysis assumes that all other parameters, in particular interest rates, remain unchanged.

	December 31, 2024	December 31, 2023
US dollar to tenge exchange rate, average for the period	469,11	456,24
Change in the average exchange rate for the period	2,8%	-1,0%
Effect on the Company's profit before taxation	(397)	0
Euro to tenge exchange rate, average for the period	507,51	493,19
Change in the average exchange rate for the period	2,9%	1,6%
Effect on the Company's profit before taxation	(350 524)	(61 189)
Ruble to tenge exchange rate, average for the period	5,07	5,42
Change in the average exchange rate for the period	-6,3%	-21,8%
Effect on the Company's profit before taxation	581	754

(d) Operational risk

Operational risk is the risk arising from a system failure, personnel errors, fraud or external events. When the control system ceases to function, operational risks can harm reputation, have legal consequences or lead to financial losses. The Company cannot assume that all operational risks have been eliminated, but with the help of a control system and by tracking and responding appropriately to potential risks, the Company actively manages such risks. The control system provides for effective separation of responsibilities, access rights, approval and reconciliation procedures, staff training, as well as evaluation procedures, including internal audits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

21. CAPITAL MANAGEMENT

The main task of the Company's management in relation to capital management is to ensure business continuity and maximize shareholder returns by maintaining an optimal ratio of own and borrowed funds, as well as the quality of the loan portfolio.

During 2024 and 2023, the Company complied with the legal requirements for the level of capital adequacy.

Prudential requirements

As of December 31, 2024 and 2023, the Company has fulfilled the requirements for prudential standards established by the National Bank of the Republic of Kazakhstan.

- minimum amount of authorized capital;
- minimum amount of equity;
- equity capital adequacy;
- maximum amount of risk per borrower;
- leverage ratio.

Name of the standard	Regulatory requirements	December 31, 2023	December 31, 2022
Requirements for the minimum size of the authorized capital	200 000	200 000	200 000
Minimum equity requirements	200 000	13 233 917	6 570 428
Equity capital adequacy requirements	>10%	20%	26%
Requirements for the maximum amount of risk per borrower	<0,25	0,051716	0,175191
Leverage ratio requirements	<10	1,08	0,75

22. CONTINGENT LIABILITIES**(a) Pending litigation**

In the course of carrying out its normal activities on the market, the Company faces various types of legal claims. The Company's management believes that the final amount of the Company's liabilities arising as a result of litigation (if any) will not have a material negative impact on the financial conditions or results of the Company's activities in the future.

(b) Taxation

The tax system of Kazakhstan, being relatively new, is characterized by frequent changes in legislative norms, official explanations and court decisions, often vaguely stated and contradictory, which allows for their ambiguous interpretation by various tax authorities, including conclusions concerning the accounting of income, expenses and other items in financial statements in accordance with the requirements of IFRS. Checks and investigations regarding the correctness of the calculation of taxes are carried out by several regulatory bodies that have the right to impose large fines and charge penalties. The correctness of the calculation of taxes can be verified within the next five calendar years, however, under certain circumstances, this period may increase.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

22. CONTINGENT LIABILITIES (CONTINUED)**(b) Taxation (continued)**

The Company's management, based on its understanding of the applicable tax legislation, regulatory requirements and court decisions, believes that tax liabilities are fully reflected.

Kazakhstan's tax legislation and regulatory legal acts are subject to constant changes and various interpretations. There are frequent cases of differences of opinion between local, regional and republican tax authorities. The system of fines and penalties currently applied for detected offenses on the basis of the laws in force in Kazakhstan is very severe. Penalties include fines - usually in the amount of 50% of the amount of additionally accrued taxes, and penalties accrued at the refinancing rate set by the National Bank of Kazakhstan multiplied by 2.5.

As a result, the amount of penalties and penalties may be several times higher than the amount of additional taxes to be assessed. Financial periods remain open for review by the tax authorities for 5 (five) calendar years preceding the year in which the audit is conducted. Under certain circumstances, the checks may cover longer periods. Due to the uncertainty inherent in the Kazakh taxation system, the final amount of taxes, penalties and penalties, if any, may exceed the amount charged to the present and accrued as of December 31, 2024.

Management believes that as of December 31, 2023, its interpretation of the applicable legislation is appropriate and it is likely that the Company's position on taxes will be confirmed, with the exception of those accrued in these financial statements.

23. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUE AND ACCOUNTING CLASSIFICATIONS**(a) Accounting classifications and fair value**

The fair value measurement is aimed at determining the price that would be received upon the sale of an asset or paid upon the transfer of a liability in terms of an operation carried out in an organized market between market participants at the valuation date. However, given the uncertainty and the use of subjective judgments, fair value should not be interpreted as being realized as part of an immediate sale of assets or transfer of liabilities.

The fair value of financial assets and financial liabilities traded in an active market is based on market quotations or dealer prices. The Company determines the fair value of all other financial instruments of the Company using other valuation methods. Nevertheless, due to the existing uncertainties and the subjectivity of estimates, the fair value should not be considered as the value at which the immediate sale of assets or the fulfillment of obligations can be made.

The estimated value of all financial instruments is approximately equal to their book value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

23 FINANCIAL ASSETS AND LIABILITIES: FAIR VALUE AND ACCOUNTING CLASSIFICATIONS (CONTINUED)**(b) Hierarchy of fair value estimates**

The Company estimates fair value using the following hierarchy of fair value estimates, taking into account the materiality of the data used in the formation of these estimates:

- Level 1: quotes in an active market (unadjusted) in relation to identical financial instruments.
- Level 2: data other than quotes related to Level 1, available directly (i.e. quotes) or indirectly (i.e. data derived from quotes). This category includes instruments that are evaluated using: market quotations in active markets for similar instruments, market quotations for identical or similar instruments in markets not considered as active, or other valuation methods, all data used which are directly or indirectly based on observable source data.
- Level 3: Data that is not available. This category includes instruments that are valued using information that is not based on observable market data, despite the fact that such unobservable data have a significant impact on the valuation of the instrument. This category includes instruments valued on the basis of quotations for similar instruments for which the use of significant unobservable adjustments or judgments is required to reflect the difference between the instruments.

As of December 31, 2024	Fair value measurement using			Total
	Level 1 source data	Level 2 source data	Level 3 source data	
Cash and cash equivalents	867 968	-	-	867 968
Loans issued to customers	-	30 153 145	-	30 153 145
Loans issued to related parties	-	1 054 125	-	1 054 125
Investment securities at amortized cost	1 568 545	-	-	1 568 545
Other financial assets	-	-	88 862	88 862
Total financial assets	2 436 513	31 207 270	88 862	33 732 645
Liabilities whose fair value is disclosed				
Loans and credits received	-	15 119 058	-	15 119 058
Direct REPO agreements	-	1 279 668	-	1 279 668
Other financial liabilities	-	-	5 194 928	5 194 928
Total financial liabilities	-	16 398 726	5 194 928	21 593 654

As of December 31, 2023	Fair value measurement using			Total
	Level 1 source data	Level 2 source data	Level 3 source data	
Cash and cash equivalents	638 780	-	-	638 780
Loans issued to customers	-	9 649 672	-	9 649 672
Loans issued to related parties	-	3 354 826	-	3 354 826
Other financial assets	-	-	994 238	994 238
Total financial assets	638 780	13 004 498	994 238	14 637 516
Liabilities whose fair value is disclosed				
Loans and credits received	-	5 543 195	-	5 543 195
Other financial liabilities	-	-	3 258 494	3 258 494
Total financial liabilities	-	5 543 195	3 258 494	8 801 689

NOTES TO THE FINANCIAL STATEMENTSFor the year ended December 31, 2024

**23. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUE AND ACCOUNTING CLASSIFICATIONS
(CONTINUED)****(b) Hierarchy of fair value estimates (continued)***Valuation models and assumptions*

The models and assumptions used to determine the fair value of assets and liabilities carried at fair value in the financial statements, as well as items that are not measured at fair value in the statement of financial position, but whose fair value is disclosed, are described below.

Assets whose fair value is approximately equal to their carrying amount

In the case of financial assets and financial liabilities that are liquid or have a short maturity (less than three months), it is assumed that their fair value is approximately equal to the carrying amount. This assumption also applies to demand deposits and savings accounts with no fixed maturity.

Financial assets and financial liabilities carried at amortised cost

The fair value of quoted bonds is based on quotations at the reporting date. The fair value of unquoted instruments, loans to customers, funds in credit institutions, other financial assets and liabilities is estimated by discounting future cash flows using the rates currently existing on debt with similar conditions, credit risk and maturity.

During the reporting period, there was no movement of financial assets and liabilities between levels.

24. SUBSEQUENT EVENTS

Management of the Company believes that there were no events that occurred after the reporting date of December 31, 2024, and before the date of approval of these financial statements, that could have an impact on the financial statements of the Company or that should have been disclosed in these financial statements.