

Microfinance Organization

Biznes Zaim MFO LLC

Financial statements

For the year ended December 31, 2024

with Independent auditor's report

For the year ended December 31, 2024

Pages

**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES
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 Business Zaim 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

Chief Accountant



INDEPENDENT AUDITOR'S REPORT

To the Participants and Management of Microfinance Organization Biznes Zaim MFO LLC

Opinion

We have audited the financial statements of Microfinance Organization Biznes Zaim MFO LLC (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income / (loss), 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 ("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 are 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



Yerlan Islambekov
Auditor

State audit license for audit activities on the territory of the Republic of Kazakhstan №22023129, issued by the Ministry of Finance of the Republic of Kazakhstan on December 07, 2022

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

April 30, 2025

STATEMENT OF COMPREHENSIVE INCOME / (LOSS)
For the year ended December 31, 2024

<i>In thousands of Tenge</i>	Notes	2024	2023
Revenue			
Interest income	5	191,011	-
Commission and agency income	6	1,063,223	-
		1,254,234	-
Financial and operating expenses			
Provision for expected credit losses	11	(59,523)	-
Operating expenses	7	(134,211)	-
General and administrative expenses	8	(14,586)	-
Operating profit / (loss)		1,045,914	-
Foreign exchange gain / (loss), net		(896)	-
Profit / (loss) before income tax		1,045,018	-
Income tax expense	9	(209,040)	-
Net income / (loss)		835,978	-
Total comprehensive income / (loss)		835,978	-

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

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

General Director

Chief Accountant



STATEMENT OF FINANCIAL POSITION
As of December 31, 2024

<i>In thousands of Tenge</i>	Notes	December 31, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents	10	336,981	-
Loans to customers	11	3,650,811	-
Other financial assets	13	83,817	-
Property, plant and equipment		6,996	-
Intangible assets	12	55,078	-
Current tax recoverable		567	-
Other non-financial assets	13	19,012	-
TOTAL ASSETS		4,153,262	-
LIABILITIES			
Income tax payable		209,040	-
Other financial liabilities	14	650,313	-
Other non-financial liabilities	14	9,931	-
TOTAL LIABILITIES		869,284	-
EQUITY			
Share capital	1	200,000	-
Subordinated loans	3	2,248,000	-
Retained earnings		835,978	-
TOTAL EQUITY		3,283,978	-
TOTAL EQUITY AND LIABILITIES		4,153,262	-

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

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

General Director

Chief Accountant



STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

<i>In thousands of Tenge</i>	Share Capital	Subordinated loans	Retained earnings	Total
Balance as of December 31, 2022	-	-	-	-
Total income for the period	-	-	-	-
Net change in subordinated loans	-	-	-	-
Repayment of interest on subordinated loans	-	-	-	-
Contribution to the share capital	-	-	-	-
Dividends	-	-	-	-
Balance as of December 31, 2023	-	-	-	-
Total income for the period	-	-	835,978	835,978
Net change in subordinated loans	-	2,248,000	-	2,248,000
Contribution to the share capital	200,000	-	-	200,000
Balance as of December 31, 2024	200,000	2,248,000	835,978	3,283,978

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

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

General Director

Chief Accountant



Mr. Kaliyev Z.

Ms. Bekenova L.

STATEMENT OF CASH FLOWS

<i>In thousands of Tenge</i>	Notes	2024	2023
Profit / (loss) before income tax		1,045,018	-
<i>Adjustments:</i>			
Interest income	4	(191,011)	-
Net loss from provision for expected credit losses	10	59,523	-
Foreign exchange gain / (loss), net		896	-
Cash flows from operating activities before changes in loan portfolio and working capital		914,426	-
(Increase)/decrease in loans to customers		(3,523,103)	-
Increase/(decrease) in other liabilities		659,362	-
(Increase)/decrease in other assets		(99,616)	-
Net cash generated from/(used in) operating activities		(2,048,931)	-
Investment activities			
Purchase of property and equipment		(6,996)	-
Purchase of intangible assets	11	(55,078)	-
Net cash used for investment activities		(62,074)	-
Financial activities			
Proceeds from subordinated loans		2,601,000	-
Repayment of subordinated loans		(353,000)	-
Contribution to share capital		200,000	-
Net cash received from financial activities		2,448,000	-
Net (decrease)/increase in cash and cash equivalents		336,995	-
Effect of changes in exchange rates on cash and cash equivalents		(14)	-
Cash and cash equivalents at the beginning of the period	9	-	-
Cash and cash equivalents at the end of the period	9	336,981	-

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

Signed and authorized for issue on behalf of Management on April 30, 2025.

General Director

Chief Accountant



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. GENERAL INFORMATION

Limited Liability Partnership Microfinance Company Biznes Zaim MFO LLC (hereinafter referred to as the "Company") is registered in the Republic of Kazakhstan based on the Minutes of the General Meeting of Participants dated May 27, 2024 and operates in accordance with the legislation of the Republic of Kazakhstan. The registered office of the Company is located at the following address: Republic of Kazakhstan, 050000, Almaty, Tulebayev Street, Building No. 38/61, Business Center "Zhetysu".

Since January 1, 2020, the Company's activities have been regulated and supervised by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market. On August 26, 2024, the Company was issued a license to carry out microfinance activities No. 02.24.0010.M.

The Company represents the KenGo trademark in Kazakhstan. The main activity of the Company is the provision of payday microloans to individuals for up to 30 days. Microloans to individuals are issued based on credit scoring, without collateral or security. 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 the date of the financial statements, the founders of the Company are:

№	Name of the shareholder	December 31, 2024		December 31, 2023	
		Share, %	Amount	Share, %	Amount
1	IDF Eurasia (Kazakhstan) Limited	99,9%	198,800	-	-
2	Solva Group Ltd	0,1%	200	-	-
		100%	200,000	-	-

The financial statements of the Company were approved for issue by the management of the Company on May 27, 2025.

Business Environment in the Republic of Kazakhstan

The Company operates in Kazakhstan. Accordingly, the Company's business is affected by the economy and financial markets of Kazakhstan, which are bearing the features of an emerging market. The legal, tax and administrative systems continue to evolve, but are subject to the risk of ambiguity in the 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 current business environment on the Company's results of operations and financial position. Subsequent developments in the business environment may differ from management's assessment.

2. BASIS OF PREPARATION**Statement of Compliance**

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

Biznes Zaim MFO LLC maintains its records and provides financial statements in accordance with the requirements of the accounting and tax legislation, as well as on the basis of the practice applied in the Republic of Kazakhstan.

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, except where otherwise indicated.

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

2. BASIS OF PREPARATION (CONTINUED)**Segment Reporting**

The Company's activities represent a single operating segment for the purposes of IFRS 8 "Operating Segments." An operating segment is a component of the Company's business that engages in commercial activities from which the Company earns revenues or incurs expenses (including revenues and expenses related to transactions with other components of the Company's business), whose performance is regularly reviewed by the chief operating decision-maker for the purpose of allocating resources among segments and assessing their financial results, and for which financial information is available. The Company's assets are primarily concentrated in the Republic of Kazakhstan, and the majority of its revenue and net profit are generated from activities conducted in and related to the Republic of Kazakhstan.

Going concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. The Company continues its operations and has no plans for liquidation or discontinuation of its activities in the near future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Principles of reporting**

The financial statements have been prepared on a historical cost basis, except for assets and liabilities stated at fair value.

b) Functional currency and presentation currency of financial statements

The functional currency of the Company 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 activities. The Kazakhstani tenge is also the presentation currency of these financial statements. All figures presented in tenge are rounded to the nearest thousand, unless otherwise stated.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**c) Application of new and revised International financial reporting standards**

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:

- 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.
- 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.
- 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.

The adoption of the new or revised standards did not have significant effect on the financial position or performance of the Company.

d) New and revised IFRSs in issue but not yet effective

A number of new Standards and Interpretations has been issued and not yet adopted as at December 31, 2024 and had not been applied in preparation of these financial statements. Following Standards and Interpretations are relevant to operations of the Company. The Company intends to adopt these Standards and Interpretations from their effective dates. The Company has not analyzed potential effect of adoption of these standards on its financial statements.

At the date of authorization of this financial information, the following new standards and interpretations were in issue, but not mandatorily yet effective, and which the Company has not early adopted:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates", which will require entities to apply a consistent approach in assessing whether one currency can be exchanged into another currency, and, when it cannot, regulate the determination of exchange rates and include requirements for required disclosures in financial statements;
- The introduction of IFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements for the presentation and disclosure of information in general purpose financial statements and will replace IAS 1 "Presentation of Financial Statements";
- Introduction of IFRS 19 "Subsidiaries without Public Accountability: Disclosures". According to this standard, subsidiaries that meet certain criteria may apply reduced disclosure requirements in their financial statements;

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**d) New and revised IFRSs in issue but not yet effective (continued)**

- Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”, which clarify the requirements for classification and measurement of financial instruments. The main amendments include:
 - Clarification of the classification of financial assets linked to environmental, social (ESG) and similar indicators: features of loans related to ESG may affect whether loans are measured at amortized cost or fair value. The amendments clarify how the contractual cash flows of such loans should be measured.
 - Settlement of obligations using electronic payment systems. The amendments clarify the date of derecognition of a financial asset or financial liability;
 - Introduction of IFRS S1 “General Requirements for Disclosure of Sustainability-related Financial Information” and IFRS S2 “Climate-related Disclosures” which provide a framework for reports on all sustainability-related topics across the areas of governance, strategy and risk management. These standards are also designed to disclose information that is expected to affect the assessments that investors make about Company’s future cash flows.

The Company intends to adopt these new standards and amendments, if applicable, when they become effective..

e) f) Critical Assumptions and Sources of Estimate Uncertainty

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

The estimates and underlying assumptions are reviewed regularly. Changes in estimates are reflected in the period in which the change affects only that period, or in the period to which the change relates and future periods if the change affects both current and future periods.

The following are 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.

Impairment of loans and receivables

The Company regularly reviews its outstanding loans and receivables to assess for impairment. The Company's loan impairment allowances are created to recognize expected impairment losses in its portfolio of loans and receivables. The Company considers the accounting estimates related to the loan impairment allowances to be a key source of estimation uncertainty because (a) they are subject to significant change from period to period because assumptions about future loss rates and estimates of potential losses on impaired loans and receivables are based on actual performance as of the current date, and (b) if there is a material difference between the loss estimates and the losses actually incurred by the Company, an allowance would be required that could have a material impact on the Company's financial statements in subsequent periods.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**f) Critical Assumptions and Sources of Estimate Uncertainty (continued)**

Key assumptions include the following:

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

Classification of subordinated loans received from related parties

In 2024, the Company attracted subordinated loans from related parties for a total of 2,248,000 thousand tenge. The Company has the right, at its sole discretion, to suspend payments of the principal and interest debt at any time and for any period. In addition, the Company has the right to unilaterally extend the term of these agreements.

Taking into account the parameters of the subordinated loans, the Company's management concluded that these instruments meet the definition of an equity instrument, according to IFRS 32.

g) Income from credit and financial activities

Interest income is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset. In calculating the effective interest rate for financial instruments that are not purchased or originated credit-impaired assets, the Company estimates future cash flows by taking into account all contractual terms of the financial instrument but excluding any expected credit losses. For purchased or originated credit-impaired financial assets, the credit-adjusted effective interest rate is calculated using expected future cash flows, including any expected credit losses.

h) Significant assumptions and sources of uncertainty in estimates

For financial assets that 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, the calculation of interest income is again based on the gross carrying amount.

Fees and commissions for loans are recognized at the amount the Company expects to receive in exchange for the services rendered and are recognized when or as the Company renders services to customers.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**h) Significant assumptions and sources of uncertainty in estimates (continued)**

The Company provides insurance agent services by offering accident, illness, etc. insurance policies from various insurance companies at its retail loan points of sale and receives an agency commission proportionate to the insurance premiums issued. Since the purchase of an insurance policy is voluntary and is not a condition for obtaining a loan, it does not affect the interest rate on the loan. Therefore, agency commission income is not considered part of the effective interest rate. The service is considered to be rendered in full upon execution of the insurance policy (insurance contract), therefore the Company recognizes the commission immediately when the performance obligation is fulfilled, i.e. the insurance policy (insurance contract) is concluded.

i) Income tax

Income tax comprises current tax and deferred tax. Current tax is the expected taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, including any tax adjustments for prior years.

Deferred tax assets and deferred tax liabilities are recognized for temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profit will be available against which they can be utilized. Future taxable profit is determined by the amount of the related taxable temporary differences that will reverse. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized. Such write-downs are reversed when the availability 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.

j) Cash and cash equivalents

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

k) Financial assets

An entity recognises a financial asset in its statement of financial position only when it becomes a party to the contractual relationship with the financial instrument. On initial recognition, financial assets are measured at fair value, which is typically the transaction price, i.e. the fair value of the consideration paid or received.

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

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

The Company classifies financial assets based on the business model the Company uses to manage the financial assets and the characteristics of the financial asset that are related to the contractual cash flows.

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. After initial recognition, the fair value of financial instruments measured at fair value that are quoted in an active market is determined as the quoted bid price for the assets and the quoted ask price for the liabilities issued at the measurement date.

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

- a. analysis of transactions with the same instrument carried out in recent times between independent parties;
- b. current fair value of similar financial instruments;
- c. discounting of future cash flows.

The discount rate reflects the minimum acceptable 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 issued loans, 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 a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

l) Financial liabilities

An entity recognises a financial liability in its statement of financial position only when it becomes a party to the contractual agreement for the financial instrument. When initially recognised, financial liabilities are measured at fair value, which is generally the transaction price, i.e. the fair value of the consideration paid or received.

The entity initially measures a financial liability at its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The entity derecognises financial liabilities only when they are settled, cancelled or the claim on them expires.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**l) Financial liabilities (continued)**

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is accounted for as a derecognition of the original liability and the recognition of a new liability, and the difference in their carrying amounts is recognised in the income statement.

Financial liabilities carried at amortized cost

Financial liabilities carried at amortised cost include loans payable. Loans payable are recognised when counterparty financial institutions provide cash or other assets to the Company.

m) Impairment of financial assets

Impairment losses on loans issued are calculated based on a forward-looking expected credit loss (ECL) model. The ECL allowance is measured at the amount of credit losses expected to arise over the life of the asset (lifetime ECL) if the credit risk of the financial asset has increased significantly since initial recognition.

Otherwise, the loss allowance will be measured at an amount equal to 12-month ECL. 12-month ECL is the portion of lifetime ECL that represents ECLs that arise from defaults on the financial instrument that are expected to occur within 12 months after the reporting date. Lifetime ECL and 12-month ECL are calculated either individually or collectively, depending on the nature of the portfolio of financial instruments. The Company has established a policy to assess at the end of each reporting period whether there has been a significant increase in the credit risk of a financial instrument since initial recognition by taking into account the change in the risk of default occurring over the remaining life of the financial instrument. Based on the process described above, the Company groups originated loans as follows:

Stage 1. Loss allowance, measured at an amount equal to 12-month expected credit losses. The Company includes in this Stage contracts for which the following conditions are met: (1) the contract is not credit-impaired; (2) there has been no significant increase in credit risk. This Stage includes loans that are not past due, as well as loans past due from 1 to 30 days inclusive.

Stage 2. Loss allowance, measured at an amount equal to lifetime expected credit losses. In this Stage, the Company includes contracts for which the credit risk has increased significantly since the initial recognition date, but which are not credit-impaired. The criterion for an increase in credit risk is an increase in the level of delinquency. This stage includes loans with a delinquency of 31 to 90 days inclusive.

Stage 3. Estimated allowance 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 the delinquency on the loan (i.e. default). This stage includes loans with a delinquency of more than 90 days.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

Expected credit losses (ECLs) are estimated on a collective basis. The amount of expected credit loss on a contract is estimated using the Probability of Default (PD), the Exposure at Default (EAD), and the Loss Given Default (LGD). The Probability of Default (PD) is an estimate of the probability of a default occurring over a given time period. A default can only occur at a specific point in time during the period under consideration if the asset has not been derecognized and is still part of the portfolio.

The Exposure at Default (EAD) is an estimate of the amount exposed to default at a future date, taking into account expected changes in that amount after the reporting date, including contractual or otherwise repayments of principal and interest, repayments of loans issued, and interest accrued as a result of late payments.

The loss given default (LGD) is an estimate of the loss that would result if a default occurred at a given 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 figure is usually expressed as a percentage of the EAD.

n) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment allowance.

At each reporting date, the Company assesses its property, plant and equipment to determine whether there is any indication that the asset has been impaired. If any indication exists, management estimates its recoverable amount, which is determined as the higher of the asset's fair value less costs to sell and its value in use. If the carrying amount of an asset exceeds its estimated recoverable amount, the carrying amount of the asset is written down to its recoverable amount and the difference is recognized as an impairment loss in the income statement.

Gains and losses arising on the disposal of property, plant and equipment are determined based on their carrying amount and are recognized as operating expenses in the income statement.

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

Depreciation of fixed assets is accrued from the moment the objects are ready for operation. Depreciation is accrued using the straight-line write-off method over the useful life of the assets.

Category of property, plant and equipment	Estimated useful life, in years
Computers and peripherals	3 years
Machinery and equipment	5 years
Furniture	5 years
Other	5 years

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**o) Rent contracts**

For contracts (or specific components of contracts) that convey to the Company the right to control the use of an identified asset (as defined in IFRS 16 Leases) for a period of time in exchange for consideration, the Company recognises a right-of-use asset and a corresponding liability at the commencement date of the lease.

In accordance with the requirements of IFRS 16 Leases, the Company does not apply this standard to leases with a term of less than 12 months, including economic extensions, or to leases of low-cost assets.

The Company defines the lease term as the non-cancellable period of the lease, together with any periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and any periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

At the commencement date, the Company measures the lease liability at the present value of the lease payments not yet made at that date. Discounting is performed principally using the lessee's incremental borrowing rate, since the rate implicit in the lease is generally not readily determinable.

At the commencement date, the Company measures the right-of-use asset at cost, which comprises the initial measurement of the lease liability, the lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee, and the estimated costs that the lessee will incur to dismantle and remove the underlying asset, restore the site on which it is located, or restore the underlying asset to the condition required by the lease.

Lease payments are apportioned evenly between the finance charge and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The finance charge is recognised in the statement of comprehensive income.

p) Intangible assets

Intangible assets include investments in software licenses and customizations.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the useful lives of the intangible assets. The estimated useful lives and amortization method are reviewed at the end of each reporting period, with any changes in estimates being recognized in subsequent periods.

q) Share capital and dividends

Contributions of the partnership participants are included in the authorized capital.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**r) 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 to settle them is unlikely.

s) Foreign currency

In preparing the financial statements, transactions in currencies other than the entity's functional currency ("foreign currencies") are reflected at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the appropriate exchange rates prevailing at the reporting date. For the purposes of these statements, the entity 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

t) Interest income and expenses

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**u) Value added tax****Value Added Tax (VAT)**

The object of VAT taxation is the Company's taxable turnover, which consists of sales turnover in the Republic of Kazakhstan of goods and materials.

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, where an allowance for impairment of accounts receivable occurs, the amount of the impairment is charged on the gross amount of the debt, including VAT

VAT recoverable

The VAT recognized as offset is formed on the acquired goods (works, services). The Company has the right to include VAT amounts payable for received goods, including fixed assets, intangible assets, works and services, if they are used in the reporting tax period or will be used for taxable turnover, as well as for availability of supporting documents.

v) Deductions from employee benefits

The company pays social tax and social contributions 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 health insurance (CHI) at the rate of 3% from January 1, 2023, and also withholds and transfers CHI (VOCHI) contributions at the rate of 2% of accrued income. From January 1, 2024, compulsory employer pension contributions (OPVR) were also introduced in the amount of 1.5% of the monthly income of each employee.

The company withholds 10% of the wages of its employees as deductions to their pension funds.

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

w) Estimated liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, the outflow of economic benefits that will be required to settle the obligation is probable, and a reliable estimate can be made of the amount of the obligation. When the Company expects to receive reimbursement of some or all of a provision, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when collection is virtually certain. The expense relating to the provision is recognised in the statement of profit or loss, net of the reimbursement.

When the effects of the time value of money are material, provisions are discounted at a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, any increase in the provision due to the passage of time is recognised as a finance cost.

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In applying the Company's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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. The assumptions and estimates of the Company are based on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances beyond the Company's control. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment exists if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the greater of fair value less costs of disposal or value in use. The calculation of fair value less costs of disposal is based on available information from binding arm's length sale of similar assets or observable market prices, less incremental costs that would be incurred to dispose of the asset.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will improve the performance of the cash-generating unit being tested for impairment. The recoverable amount is most sensitive to the discount rate used in the discounted cash flow model and to the expected cash inflows and growth rates used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

5. INTEREST INCOME

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

<i>In thousands of Tenge</i>	2024	2023
Short-term loans to individuals	133,420	–
Penalties for short-term loans to individuals	53,811	–
Short-term deposits	3,780	–
	191,011	–

6. COMMISSION AND AGENCY INCOME

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

<i>In thousands of Tenge</i>	2024	2023
Loans to individuals for up to 3 years		
Sale of insurance services	1,063,223	–
Total, commission and agency agreements	1,063,223	–

For concluding insurance contracts, the Company receives an agency fee and recognizes income from such fee at the time of concluding the insurance contract.

7. OPERATING EXPENSES

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

<i>In thousands of Tenge</i>	2024	2023
Advertising and Marketing	77,113	–
Scoring and Verification	46,274	–
Customer Support	9,986	–
Commission and Agency	838	–
	134,211	–

8. GENERAL AND ADMINISTRATIVE EXPENSES

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

<i>In thousands of Tenge</i>	2024	2023
Other taxes	4,235	–
Bank fees	3,508	–
Expenses on wages and bonuses, taxes and deductions on wages	2,540	–
Office expenses	3,074	–
Software maintenance	827	–
Legal services	401	–
Other	1	–
	14,586	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

9. INCOME TAX EXPENSES

The company is subject to income tax at the current official rate of 20%.

<i>In thousands of Tenge</i>	2024	2023
Current Income Tax Expense	(209,040)	–
Deferred Income Tax Expense	–	–
Corporate Income Tax Expense	(209,040)	–

Below is a reconciliation of the estimated income tax amount from profit before tax at the statutory income tax rate with the income tax expense:

<i>In thousands of Tenge</i>	2024	2023
Profit before tax	1,045,018	–
Corporate income tax rate	20%	20%
Corporate income tax estimate	(209,004)	–
Effect of permanent differences:		
Other	(36)	–
Corporate income tax expense	(209,040)	–

10. CASH AND CASH EQUIVALENTS

As of December 31, 2024, cash and cash equivalents consist of the following:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Deposits for a period of 90 days or less	280,549	–
Cash in current and transit accounts	31,887	–
Cash transit	22,763	–
Cash at hand	1,782	–
	336,981	–

There are no restrictions on the use of cash and cash equivalent balances.

For the purposes of measuring expected credit losses, cash and cash equivalent balances are included in Stage 1. The expected credit losses on these balances are insignificant, so the Company does not establish an allowance for credit losses on cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

11. LOANS TO CUSTOMES

As of December 31, 2024, loans issued to customers are represented by the following:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Loans to individuals	3,709,010	-
Loans to customers measured at amortized cost before allowance	3,709,010	-
Provision for expected losses on loans to individuals	(58,199)	-
Less: allowance for expected credit losses	(58,199)	-
Total loans to individuals	3,650,811	-
Total loans to customers measured at amortized cost less allowance for expected losses	3,650,811	-

The table below provides a 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	-	-
Reserve creation	(59,523)	-
Other reserve changes	1,324	-
At the end of the period	(58,199)	-

Stage 1 includes loans that are not past due, as well as loans that are past due by 1 to 30 days inclusive. Stage 2 includes loans that are past due by 31 to 90 days inclusive, and Stage 3 includes loans that are past due by more than 90 days.

The analysis of changes in gross book value and related ECL for the twelve months ended December 31, 2024 is presented below:

<i>In thousands of Tenge</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Gross book value as of January 1, 2024	-	-	-	-	-
New assets created or acquired	4,918,908	-	-	-	4,918,908
Accrual for loans	187,231	-	-	-	187,231
Assets that were repaid	(1,370,340)	-	-	-	(1,370,340)
Other balance sheet change	(26,789)	-	-	-	(26,789)
As of December 31, 2024	3,709,010	-	-	-	3,709,010

<i>In thousands of Tenge</i>	Stage 1	Stage 2	Stage 3	POCI	Total
ECL as of 1 January 2024	-	-	-	-	-
New assets created or acquired	(114,047)	-	-	-	(114,047)
Assets that were repaid	15,587	-	-	-	15,587
Write-offs	1,325	-	-	-	1,325
Other change in reserve	38,936	-	-	-	39,936
As of 31 December 2024	(58,199)	-	-	-	(58,199)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

12. INTANGIBLE ASSETS

As of December 31, 2024, intangible assets are presented in the table below:

<i>In thousands of Tenge</i>	Licenses	Total
Cost:		
December 31, 2023	–	–
Additions	55,078	55,078
December 31, 2024	55,078	55,078
Accumulated depreciation:		
December 31, 2023	–	–
Depreciation charge	–	–
December 31, 2024	–	–
Net book value:		
December 31, 2023	–	–
December 31, 2024	55,078	55,078

13. OTHER CURRENT ASSETS

As of December 31, 2024, other assets are presented in the table below:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Other financial assets		
Insurance company receivables	83,817	–
Other	–	–
Total other financial assets	83,817	–
Other non-financial assets		
VAT receivable	9,876	–
Short-term advances paid	7,027	–
Other	2,109	–
	19,012	–
Total other current assets	102,829	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

14. OTHER LIABILITIES

As of December 31, 2024, other liabilities are presented in the table below:

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Other financial liabilities		
Payable to insurance company	277,177	-
Payable for services	124,569	-
Payable to related parties	55,390	-
Wages payable	2,029	-
Other	191,149	-
Total other financial liabilities	650,314	-
Other non-financial liabilities		
Taxes and contributions other than corporate income tax	8,522	-
Other reserves	1,408	-
Total other non-financial liabilities	9,930	-
Total other liabilities	660,244	-

15. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, related parties are those parties that one party has the ability to control or exercise significant influence over the other party, as defined in IAS 24 Related Party Disclosures. In determining whether parties are related, the substance of the relationship, not just the legal form, is taken into account.

For the purposes of these financial statements, the Company's related parties include key management personnel and entities in which a significant interest is owned, directly or indirectly, by key management personnel of the Company, as well as participants and entities controlled by participants.

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

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Trade payables	(55,390)	-
<i>Other related parties</i>	(55,390)	-
Subordinated loans	(2,248,000)	-
<i>Other related parties</i>	(2,248,000)	-

Related parties may enter into transactions that would not be entered into between unrelated parties. The prices and terms of such transactions may differ from the prices and terms of transactions between unrelated parties.

Key management personnel compensation

The total amount of key management personnel compensation included in administrative expenses in the statement of comprehensive income for the year ended December 31, 2024 is 3,413 thousand tenge.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

16. FINANCIAL RISK MANAGEMENT POLICY

General management of risk management is carried out by the General Director. His competence includes, in particular: 1) approval of the main principles of risk management and assessment of the adequacy of the Company's organizational structure to these principles; 2) control over the activities of the Company's risk management units, identification of weaknesses in risk management and adoption of appropriate measures.

Financial risks are managed by establishing limits on transactions, compliance with which is mandatory for the relevant units and officials of the Company authorized to carry out these transactions.

The structural units of the Company regularly prepare management reporting forms that provide the Company's management bodies with information necessary for decision-making. The management and assessment of the main risks listed below are carried out 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 fully repay the debt within the established period. When performing transactions that carry credit risk, restrictions on credit risk are established in the form of setting limits on borrowers / credit products / other sections of the credit portfolio. At the same time, the Company has automated the process of managing limits and restrictions in order to promptly track and eliminate the causes of increased credit risk.

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

Credit risk management tasks:

- analysis and assessment of credit risks;
- determination of the amount of risks;
- credit risk management;
- control over the effectiveness of credit risk management.

<i>In thousands of Tenge</i>	December 31, 2024	December 31, 2023
Loans to customers	3,650,811	–
Cash and cash equivalents	336,981	–
Other financial assets	83,817	–
Total financial assets	4,071,609	–

Cash and Deposit

As part of credit 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 in Kazakhstan with a credit rating from B to BBB-.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

16. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

(a) Credit risk (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	Without rating	Total
Cash and cash equivalents	-	192,913	9,269	-	110,254	24,545	336,981
JSC Halyk Bank of Kazakhstan	-	192,913	-	-	-	-	192,913
JSC ForteBank	-	-	7	-	-	-	7
JSC Bank CenterCredit	-	-	9,262	-	-	-	9,262
JSC Nurbank	-	-	-	-	110,254	-	110,254
Cash in hand	-	-	-	-	-	1,782	1,782
Cash in transit	-	-	-	-	-	22,763	22,763
Loans issued to related parties	-	-	-	-	-	-	-
Total	-	192,913	9,269	-	110,254	24,545	336,981

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

Credit portfolio

The Company uses a multi-factor system for assessing loans to customers.

The Risk Management Service develops, updates and monitors compliance with credit risk restrictions in the Company. When assessing the risk level for all assets exposed to credit risk, a portfolio approach is used, when the risk level is assessed for 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 within which they are provided: a consumer loan to individuals for up to three years.

When assessing the credit portfolio, the Risk Management Service assesses the concentration of risk in the credit 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 credit portfolio according to a number of criteria, the key ones of which are: maturity, number of borrower requests, established interest rates, 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: on a regular basis, the volume and dynamics of overdue principal debt are analyzed in order to monitor the compliance of actual indicators with planned ones.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

16. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

The analysis of loans by the time elapsed since the payment delay is presented below.

Loans to individuals as of December 31, 2024:

Loans to individuals	Loans to customers	Allowance for credit losses	Loans to customers. Net of allowance
Not overdue	2,384,809	(10,745)	2,374,064
Overdue for 1-30 days	1,324,201	(47,454)	1,276,747
Total principal	3,709,010	(58,199)	3,650,811

(b) Liquidity risk

Liquidity risk is the risk of mismatch between the terms of the claim on active transactions and the maturity dates of liabilities.

Liquidity is assessed:

- depending on the amount of assets available to the Company and the possible terms of their sale without significant losses for the Company;
- depending on existing liabilities, terms until their maturity and the dynamics of changes in the number of liabilities over time.

A position is considered risky if liquid assets and the projected receipt of financial resources are insufficient to meet obligations in a certain period of time.

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

Liquidity risk is regulated by monitoring the deficit/excess of cash resources, distribution and redistribution of cash resources among instruments depending on maturity dates, their degree of liquidity and level of profitability. Liquidity management requires an analysis of the level of liquid assets required to settle liabilities upon maturity; ensuring access to various sources of financing; availability of plans in case of problems with financing and control over the 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, 2024, the indicators of compliance with the standards did not exceed the threshold values.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

16. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

(b) Liquidity risk (continued)

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

December 31, 2024	Within 1 month	From 2 to 6 months	From 7months to 1 year	From 1 to 2 years	More than 2 years	Book value
Financial assets						
Cash and cash equivalents	336,981	-	-	-	-	336,981
Loans to customers	3,384,447	184,090	78,094	4,180	-	3,650,811
Other financial assets	83,817	-	-	-	-	83,817
Total financial assets	3,805,245	184,090	78,094	4,180	-	4,071,609
Financial liabilities						
Other financial liabilities	650,313	-	-	-	-	650,313
Total financial liabilities	650,313	-	-	-	-	650,313
Net liquidity position as of December 31, 2024	3,154,932	184,090	78,094	4,180	-	3,421,296
Total liquidity position as of December 31, 2024	3,154,932	3,339,022	3,417,116	3,421,296	3,421,296	

The tables below show the distribution of undiscounted contractual cash flows on the Company's financial liabilities (including future interest payments) by contractual terms remaining to maturity:

December 31, 2024	Within 1 month	From 2 to 6 months	From 7months to 1 year	From 1 to 2 years	More than 2 years	Book value
Financial liabilities						
Other financial liabilities	650,313,	-	-	-	-	650,313
Total financial liabilities	650,313,	-	-	-	-	650,313

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

16. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)**(c) Market risk**

Market risk is the risk that the fair value of future cash flows from financial instruments will fluctuate due to changes in market parameters. Given that the Company does not attract or issue instruments with floating interest rates, and 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 unfavorable 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 currency risk by entering into forward contracts for the currency subject to the greatest volatility.

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 the tenge and the currency position at the end of each reporting period. This analysis assumes that all other parameters, particularly interest rates, remain constant.

	December 31, 2024	December 31, 2023
US dollar to tenge exchange rate, average for the period	469,11	456,24
Change in average exchange rate for the period	2,8%	-
Effect on the Company's profit before tax	(19)	-
Euro to tenge exchange rate, average for the period	507,51	493,19
Change in average exchange rate for the period	2,9%	-
Effect on the Company's profit before tax	(1 673)	-
Ruble to tenge exchange rate, average for the period	5,07	5,42
Change in average exchange rate for the period	-6,3%	-
Effect on the Company's profit before tax	260	-

(d) Operating risk

Operational risk is the risk arising from system failure, human error, fraud or external events. When controls fail, operational risks can cause reputational damage, legal consequences or financial losses. The Company cannot assume that all operational risks are eliminated, but the Company actively manages such risks through the control system and by monitoring and responding to potential risks. The control system includes effective segregation of duties, access rights, approval and reconciliation procedures, personnel training, and assessment procedures, including internal audits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

17. CAPITAL MANAGEMENT

The main objective of the Company's management in relation to capital management is to ensure business continuity and maximise shareholder returns by maintaining an optimal ratio of equity and debt, as well as the quality of the loan portfolio.

During 2024, the Company complied with the statutory requirements for the level of capital adequacy.

Prudential requirements

As of December 31, 2024, the Company complied with the requirements of the 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 standard	Requirements of the standard	December 31, 2024	December 31, 2023
Requirements for the minimum size of the authorized capital	200,000	200,000	–
Minimum equity requirements	200,000	200,000	–
Equity capital adequacy requirements	>10%	56%	–
Requirements for the maximum amount of risk per borrower	<0,25	0	–
Leverage ratio requirements	<10	0.3	–

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

In the normal course of its business, the Company is exposed to various types of legal claims. The Company's management believes that the ultimate amount of the Company's liabilities arising from legal proceedings (if any) will not have a material adverse effect on the Company's future financial conditions or results of operations.

(b) Taxation

The tax system in Kazakhstan, being relatively new, is characterized by frequent changes in legislation, official clarifications and court decisions, which are often unclear and contradictory, allowing for varying interpretations by different tax authorities, including opinions regarding the accounting of income, expenses and other items in the financial statements in accordance with the requirements of IFRS. Several regulatory authorities are engaged in audits and investigations into the accuracy of tax calculations, which have the authority to impose large fines and penalties. The accuracy of tax calculations can be verified within five consecutive calendar years, although this period may be extended in certain circumstances.

The Company's management, based on its understanding of the applicable tax laws, regulations and court decisions, believes that tax liabilities are reflected in full.

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

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

Kazakhstan tax legislation and regulations are subject to constant change and varying interpretations. There are frequent disagreements between local, regional and national tax authorities. The current system of fines and penalties for violations under the laws in force in Kazakhstan is quite severe. Penalties include fines - usually 50% of the amount of additionally assessed taxes, and a penalty calculated at the refinancing rate set by the National Bank of Kazakhstan multiplied by 2.5.

As a result, the amount of fines and penalties may be several times higher than the amounts of additional taxes to be assessed. Financial periods remain open to audit by tax authorities for 5 (five) calendar years preceding the year in which the audit is conducted. Under certain circumstances, audits may cover longer periods. Due to the inherent uncertainties in the Kazakhstan tax system, the final amount of taxes, penalties and interest, if any, may exceed the amount expensed to date and accrued as of December 31, 2024.

Management believes that as of December 31, 2024, its interpretation of applicable law is appropriate and it is probable that the Company's tax position will be sustained, except for those accrued in these financial statements.

19. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUE AND ACCOUNTING CLASSIFICATIONS**(a) Accounting Classifications and Fair Value**

Fair value measurements are intended to estimate 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. However, given the uncertainties and the use of subjective judgment, fair value should not be interpreted as being realized in an immediate sale of the assets or transfer of the liabilities.

The fair value of financial assets and financial liabilities traded in active markets is based on quoted market prices or dealer prices. The Company determines the fair value of all other financial instruments of the Company using other valuation techniques. However, because of the existing uncertainties and subjective judgment, fair value should not be interpreted as being the amount at which the assets can be immediately realized or the liabilities settled.

The estimated value of all financial instruments approximates their carrying amounts.

(b) Fair Value Measurement Hierarchy

The Company measures fair value using the following hierarchy of fair value measurements, taking into account the significance of the inputs used to form those measurements:

- Level 1: quoted prices (unadjusted) in an active market for identical financial instruments.
- Level 2: Inputs other than quoted prices in Level 1 that are available directly (ie quoted prices) or indirectly (ie derived from quoted prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted market prices for the same or similar instruments in markets that are not considered active, or other valuation techniques for which all inputs used are based, directly or indirectly, on observable inputs.
- Level 3: Inputs that are not observable. This category includes instruments valued using information that is not based on observable market data and those unobservable inputs have a significant effect on the valuation of the instrument. This category includes instruments valued using quoted prices for similar instruments that require the use of significant unobservable adjustments or judgements to reflect differences between the instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

19. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUE AND ACCOUNTING CLASSIFICATIONS
(CONTINUED)

(b) Fair Value Measurement Hierarchy (continued)

December 31, 2024	Fair value measurement using			Total
	Initial data level 1	Initial data level 2	Initial data level 3	
Cash and cash equivalents	–	336,981	–	336,981
Loans to customers	–	–	3,650,811	3,650,811
Other financial assets	–	–	83,817	83,817
Total financial assets	–	336,981	3,734,628	4,071,609
Liabilities for which fair value is disclosed				
Other financial liabilities	–	–	650,313	650,313
Total financial liabilities	–	–	650,313	650,313

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 and 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 approximates their carrying amount

For financial assets and financial liabilities that are liquid or have a short maturity (less than three months), their fair value is assumed to approximate their carrying amount. This assumption also applies to demand deposits and savings accounts with no stated maturity.

Financial assets and financial liabilities carried at amortized cost

The fair value of unquoted instruments, loans to customers, amounts due from credit institutions, other financial assets and liabilities is estimated by discounting future cash flows using rates currently existing for debt with similar terms, credit risk and maturity.

There was no movement of financial assets and liabilities between levels during the reporting period.

20. SUBSEQUENT EVENTS

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