

Almaty Social-Entrepreneurial

Corporation JSC

Consolidated financial statements

As at and for the year ended
December 31, 2023,
with independent auditor's report

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**Statement of management's responsibility for preparation and approval of the
consolidated financial statements for the year,
ended December 31, 2023.**

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report set out below, is made with a view to distinguishing the respective responsibilities of the auditors in relation to the consolidated financial statements of Almaty Social-Entrepreneurial Corporation JSC and its subsidiaries (the "Group").

Management is responsible for the preparation of consolidated financial statements that present fairly, in all material respects, the financial position as at December 31, 2023, and the results of its operations, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards ("IFRS").


In preparing the consolidated financial statements, management is responsible for:

- ensuring that accounting policies are properly selected and applied;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- assessing the Group's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control for the Group;
- Maintaining proper accounting records that disclose and explain the Group's transactions and disclose with reasonable accuracy at any date the financial position of the Group, and which enable them to ensure that the consolidated financial statements comply with IFRS;
- Maintaining accounting records in accordance with the laws of the Republic of Kazakhstan and IFRS;
- taking all reasonably practicable steps to safeguard the assets of the Group; and
- detection and prevention of financial and other abuses.

These consolidated financial statements for the year ended December 31, 2023 were approved by the management of the Group on 28 June 2024 and signed on its behalf:



Aldazharov E.K.

Deputy Chairman of the Management Board



Alimova B.E.

Chief Accountant - Director of the Accounting and Reporting Department

INDEPENDENT AUDITOR'S REPORT

To the shareholder and management of Almaty Social-Entrepreneurial Corporation JSC

Opinion

We have audited the consolidated financial statements of Almaty Social-Entrepreneurial Corporation JSC and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including summaries of the consolidated financial statements and notes to the consolidated financial statements.

In our opinion, in all material respects, the consolidated financial statements give a true and fair view, in accordance with International Financial Reporting Standards (IFRS), of the financial position of the Group as at December 31, 2023, and of its financial performance and its cash flows for the year then ended.

Basis for expression of 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 Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) 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.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to liquidate or cease operations.

Those charged with governance are responsible for overseeing the preparation of the Group's consolidated financial statements.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 degree of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can result 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 consolidated financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of the consolidated 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 the risk of not detecting a material misstatement resulting from error because fraud may include collusion, forgery, intentional omissions, misrepresentations, or actions to circumvent 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 Group's internal control; assess 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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to lose its ability to continue as a going concern;
- Evaluate the overall presentation of the consolidated financial statements, their structure and content, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance to inform them of, among other things, the planned scope and timing of the audit and significant audit observations, including significant deficiencies in internal control that we identify during our audit.



Badambayeva Saule
 Audit partner
 IAC Russell Bedford A+ Partners LLP
 Auditor Qualification Certificate No.
 MF-0000720 dated 10.01.2019.



Sholpanay Kudalbergenova
 Director General
 IAC Russell Bedford A+ Partners LLP
 State licence to practise
 audit activity No.18013076,
 issued by the Internal State Audit
 Committee of the Ministry of Finance of the
 Republic of Kazakhstan "03" July 2018.

A15E2X0, Almaty, Republic of Kazakhstan
 Al-Farabi Ave. Al-Farabi 202

28 June 2024



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023**

thousand tenge	Note.	December 31, 2023	December 31, 2022
ACTIVITIES			
Non-current assets			
Property, plant and equipment	6	12,092,405	2,807,784
Investment property	7	5,904,628	65,768,431
Intangible assets		215,840	109,019
Non-current financial assets	8	15,668,371	12,648,826
Investment securities		62,739	104,616
Non-current receivables	9	43,502,738	5,222,232
Other non-current assets	10	7,704,213	7,581,832
Total non-current assets		85,150,934	94,242,740
Current assets			
Inventories	11	10,492,396	4,106,301
Trade and other receivables	9	453,662	673,664
Current financial assets	8	2,758,160	4,824,598
Prepayment of income tax		9,570	267,587
Advances paid and other current assets	12	9,154,904	842,550
Repurchase asset	13	11,728,105	-
Cash and cash equivalents	14	69,727,029	103,497,003
Total current assets		104,323,826	114,211,703
TOTAL ACTIVITIES		189,474,760	208,454,443
EQUITY AND LIABILITIES			
Equity			
Share capital	15	193,351,569	185,204,314
Repurchased own equity instruments		(21,051,538)	(6,392,998)
Uncovered loss		(562,047)	(10,505,266)
Total equity		171,737,984	168,306,050
Non-current liabilities			
Non-current loans received	16	7,709,313	21,423,837
Other non-current liabilities		214,628	118,804
Deferred tax liabilities	24	96,195	477,786
Total non-current liabilities		8,020,136	22,020,427
Current liabilities			
Current loans received	16	4,240,207	-
Trade and other payables	17	3,452,692	281,620
Taxes and payments payable		65,043	98,430
Corporate income tax payable		1,811,399	130,103
Liabilities under customers' contracts		147,299	17,617,813
Total current liabilities		9,716,640	18,127,966
Total liabilities		17,736,776	40,148,393
TOTAL EQUITY AND LIABILITIES		189,474,760	208,454,443

These consolidated financial statements have been authorised by the Group's management and signed on its behalf:

Aldazharov E.K.

Deputy Chairman of the Management Board

Alimova B.E.

Chief Accountant - Director of the Accounting and Reporting Department

The explanatory notes form an integral part of these consolidated financial statements



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER CONSOLIDATED INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

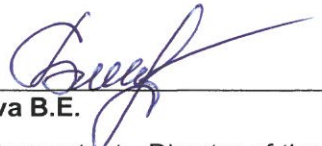
thousand tenge	Note.	2023	2022
Revenue from contracts with customers	18	5,968,099	3,912,903
Cost of sales	19	(3,769,918)	(2,232,199)
Gross income		2,198,181	1,680,704
Selling expenses		(135,850)	(134,392)
Administrative expenses	20	(3,750,058)	(3,149,322)
Finance income/expense, net	21	(16,291,041)	6,316,016
Other income/expense, net		290,233	843,353
Income from sale of property, net	22	31,151,626	28,635
Share of loss of associates		(36,363)	(10,919)
Net foreign exchange gains/losses		2,579,685	(1,050,823)
Reversal of impairment losses/ impairment losses	23	3,038,202	(12,575,591)
Income before income tax		19,044,615	(8,052,339)
Income tax expense	24	(7,916,328)	(527,476)
Net income for the year		11,128,287	(8,579,815)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		11,128,287	(8,579,815)

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Deputy Chairman of the Management Board



Alimova B.E.

Chief Accountant - Director of the Accounting and Reporting Department

The explanatory notes form an integral part of these consolidated financial statements



**CONSOLIDATED STATEMENT OF CASH FLOWS (direct method)
FOR THE YEAR ENDED DECEMBER 31, 2023**

thousand tenge	2023	2022
Cash flows from operating activities:		
Cash received from customers	40,408,102	1,412,129
Advances received from customers	36,504,948	17,481,880
Guarantee contributions	50,657	4,779
Return of money from deposit in a liquidated bank	–	751
Repayment of loans issued	4,587,832	5,191,248
Fees received	2,109,429	736,246
Other income	2,579,849	739,810
Obtaining loans	–	4,000,000
Third party funding	–	(9,796,296)
Repayment from third party financing	–	11,109,378
Cash paid to suppliers and contractors	(106,103,017)	(4,587,799)
Cash paid to employees	(1,985,867)	(1,451,692)
Loan disbursement	(8,132,410)	(7,031,193)
Other taxes and social payments paid	(1,183,544)	(668,053)
Income tax paid	(6,223,250)	(291,407)
Interest paid	(463,681)	(1,100)
Other payments	(18,358)	(341,950)
Net cash used in operational activities	(37,869,310)	16,506,731
Cash flows from investing activities:		
Repayment of loans issued	8,558,462	1,215,025
Returns from third party financing	8,839,764	3,282,406
Disposal of property, plant and equipment and investment property	5,215,915	–
Remuneration received	1,521,165	2,432,512
Others	223,930	(52,694)
Loan disbursement	(5,866,866)	–
Acquisition of property, plant and equipment, investment property and intangible assets	(390,072)	(6,285)
Repurchase transactions, net	(11,053,400)	2,286,347
Third party funding	–	(3,438,000)
Investment in subsidiary	–	(148,715)
Net cash flows from investing activities	7,048,898	5,570,596
Cash flows from financing activities:		
Loan repayments	(8,820,000)	–
Payment of authorised capital	6,000,000	67,650,477
Net cash used financially	(2,820,000)	67,650,477
Net (decrease) increase in cash	(33,640,412)	89,935,598
Change in allowance for expected credit losses	44,539	(6,303)
Effect of exchange rate changes on cash flows	(174,101)	207,794
Cash at the beginning of the year	103,497,003	13,567,708
Cash at the end of the year	69,727,029	103,497,003

These consolidated financial statements have been authorised by the Group's management and signed on its behalf:

Aldazharov E.K.

Deputy Chairman of the Management Board

Alimova B.E.

Chief Accountant - Director of the Accounting and Reporting Department

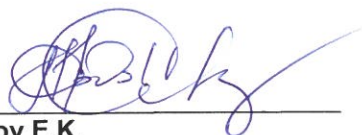
The explanatory notes form an integral part of these consolidated financial statements



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023**

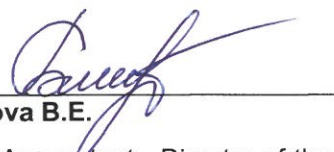
thousand tenge	Share capital	Repurchased own equity instruments	Uncovered loss	Total equity
Balance as at 1 January 2022	119,748,399	(9,278,288)	(2,293,143)	108,176,968
Issuance of shares	65,401,727	2,885,290	-	68,287,017
Net loss for the year	-	-	(8,579,815)	(8,579,815)
Other operations	-	-	367,692	367,692
Additional paid-in capital	54,188	-	-	54,188
Balance at December 31, 2022	185,204,314	(6,392,998)	(10,505,266)	168,306,050
Issuance of shares	8,201,443	(14,658,540)	-	(6,457,097)
Prior period adjustments	(54,188)	-	-	(54,188)
Net income for the year	-	-	11,128,287	11,128,287
Other transactions with own funds equity instruments	-	-	(1,846,111)	(1,846,111)
Other operations	-	-	661,043	661,043
Balance at December 31, 2023	193,351,569	(21,051,538)	(562,047)	171,737,984

These consolidated financial statements have been authorised by the Group's management and signed on its behalf:



Aldazharov E.K.

Deputy Chairman of the Management Board



Alimova B.E.

Chief Accountant - Director of the Accounting and Reporting Department

The explanatory notes form an integral part of these consolidated financial statements



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

1. GENERAL INFORMATION

Almaty Social-Entrepreneurial Corporation JSC and its subsidiaries, collectively referred to as the "Group".

Almaty Social-Entrepreneurial Corporation JSC (the "Company") was originally registered with the Ministry of Justice of the Republic of Kazakhstan on 27 August 2010. On 8 October 2018, the Company was re-registered due to a change of name. The business identification code is 100840016104.

The Company is registered as a taxpayer by the Almaty Department of Justice with the taxpayer registration number 600400621639. The Company is registered as a payer of value added tax by the Tax Committee of Bostandyk District of Almaty, certificate No. 1202376 series 60001 dated 8 October 2018.

The actual and legal address of the Group is 303, Block B, Baizakov Street, Almaty, 050040, Republic of Kazakhstan.

As at December 31, 2023 and at the date of issuance of the consolidated financial statements, the sole participant of the Group is the Almaty Department of Entrepreneurship and Investments CSI (the "Parent Company"). The ultimate controlling party of the Group is the Almaty City Akimat.

The Group operates in the Republic of Kazakhstan. The Group's assets and liabilities are located in the Republic of Kazakhstan.

The Group's principal activities include advising on commercial and management issues, regulating and promoting efficient economic activity, forming a regional stabilisation fund and implementing mechanisms to stabilise prices for socially important food products.

On 31 March 2023, Fitch Ratings Ltd (London UK) affirmed the Group's non-current foreign and local currency default ratings of 'BBB-'. The outlook on the ratings is "Stable".

On 28 February 2024, Fitch Ratings (Dubai, UAE) affirmed the Group's foreign and local currency default ratings at 'BBB-' with a 'Stable' outlook.

The following subsidiaries have been included in these consolidated financial statements:

Company/location	Type of activity	Share of participation	
		December 31, 2023	December 31, 2022
Almaty Finance LLP / (Kazakhstan)	Provision of loans for entrepreneurial purposes to small and medium-sized enterprises	100%	100%
Almaty Industrial Zone LLP / (Kazakhstan)	Operational management of the Industrial Zone's activities	100%	100%
Almaty Akimat Capital Construction Enterprise LLP / (Kazakhstan)	Organising the construction of residential buildings by raising funds from individuals and legal entities (including budgetary funds) for equity participation in housing construction	100%	100%

Almaty Microfinance Organization LLP was established under the regional entrepreneurship development programme "Almaty Business-2025". Almaty MFI LLP, in order to support SMEs, provides preferential lending to small and medium-sized businesses, is a subsidiary of Almaty Finance LLP (Almaty Finance) with a 99.999999690% stake.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

2. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

Basis of presentation

These consolidated financial statements have been prepared under the historical cost convention as modified by the initial recognition of financial instruments at fair value.

The principle of continuous operations

The consolidated financial statements of the Group have been prepared on a going concern basis, which contemplates the realisation of assets and the settlement of liabilities and contractual liabilities in the normal course of business.

For the year 2023, the Group generated income of 11,128,286 thousand Tenge (2022 - loss of 8,579,815 thousand Tenge). Shareholders' equity amounts to 171,737,983 thousand Tenge (2022: - 168,306,050 thousand Tenge).

Therefore, the Group's management has not identified any conditions or events that could significantly affect the Group's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that would be necessary if the Group were not able to continue as a going concern.

Basis of preparation of the consolidated financial statements

Consolidated financial statements are required to be presented by the Group of companies comprising the parent organisation, entities under its control and entities over which the Group has significant influence.

The consolidated financial statements include the financial statements of the parent company and its subsidiaries as at December 31, 2023. Control is achieved where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through the exercise of its power over the investee.

The consolidated financial statements are prepared on the historical cost basis except as disclosed in the accounting policies and notes to these financial statements.

The consolidated financial statements are presented in Kazakhstani Tenge and all monetary amounts are rounded to the nearest thousand Tenge, except when otherwise indicated.

These consolidated financial statements have been prepared on the accrual basis of accounting. Transactions and events are recognised in the accounting records and included in the financial statements in the period to which they relate. The accrual basis of accounting is used to recognise the results of transactions and events that do not result from the Group's operations, but which affect its financial position, when they occur, regardless of when they are due.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

2. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

All elements of the consolidated financial statements are presented as line items in the accompanying statement of financial position and statement of comprehensive income. The aggregation of several elements of the financial statements into a single line item is based on their characteristic of the Group's operations. The consolidated financial statements include all transactions and events that meet the definition of elements of financial statements and the condition for their recognition. The Group is substantially certain that any economic benefits associated with the item will be realised or lost and the item has a value or an estimate that can be measured reliably. The presentation and classification of items in the consolidated financial statements are maintained from one period to the next.

Changes in accounting policies and presentation

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated annual financial statements for the year ended December 31, 2023. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS

In preparing these consolidated financial statements, the Group has not applied the following standards and amendments effective from 1 January 2023:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new comprehensive financial reporting standard for insurance contracts that addresses recognition and measurement, presentation and disclosures. IFRS 17 replaces IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life and non-life insurance, direct insurance and reinsurance) regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation conditions. There are a few exceptions to the scope. The main objective of IFRS 17 is to provide an accounting model for insurance contracts that is more efficient and consistent for insurers.

Unlike the requirements of IFRS 4, which are largely based on previous local accounting policies, IFRS 17 provides a comprehensive model for accounting for insurance contracts, covering all relevant aspects of accounting. IFRS 17 is based on the general model, supplemented by the following:

Certain modifications for insurance contracts with direct participation conditions (variable remuneration method). Simplified approach (premium allocation approach) mainly for current contracts. This standard is not applicable to the Group.

Amendments to IAS 8 - Determining Accounting Estimates

The amendments to IAS 8 clarify the difference between changes in accounting estimates and changes in accounting policies and corrections of errors. It also clarifies how entities use measurement techniques and inputs to develop accounting estimates.

These amendments did not have any material impact on the Group's consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

3. NEW STANDARDS, EXPLANATIONS AND AMENDMENTS TO EXISTING STANDARDS AND EXPLANATIONS (continued)

Amendments to IAS 1 and Practice Statement No. 2 on Application of IFRS - Accounting Policy Disclosures

Amendments to IAS 1 and Practice Statement No. 2 on Application of IFRSs, Making Materiality Judgements, provide guidance and examples to assist entities in applying materiality judgements to accounting policy disclosures. The amendments are intended to help entities disclose more useful accounting policies by replacing the requirement for entities to disclose 'significant accounting policies' with a requirement to disclose 'significant accounting policies' and by adding guidance on how entities should apply the concept of materiality when making accounting policy disclosure decisions.

The amendments did not have any impact on the Group's consolidated financial statements.

Amendments to IAS 12- Deferred Taxation on Assets and Liabilities Arising from a Single Transaction

The amendments to IAS 12 Income Taxes narrow the scope of the initial recognition exemption so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities.

The amendments did not have any impact on the Group's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Classification of assets and liabilities into current and non-current assets and liabilities

The Group presents assets and liabilities in the consolidated statement of financial position based on their classification into current (current) and non-current assets and liabilities. An asset is current (current) if:

- it is intended to be realised or intended for sale or consumption in the normal operating cycle;
- it is intended primarily for trading purposes;
- it is expected to be realised within 12 (twelve) months after the end of the reporting period;
- it represents cash or cash equivalents, unless there are restrictions on its exchange or use to settle a liability for at least twelve (12) months after the end of the reporting period.

All other assets are classified as non-current. A liability is current (current) if:

- it is expected to be settled within the normal operating cycle;
- it is held primarily for trading purposes;
- but repayable within 12 (twelve) months after the end of the reporting period; or
- the Group does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the end of the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

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. A fair value measurement assumes that a transaction to sell an asset or transfer a liability occurs:

- or in the principal market for the asset or liability;
- or, in the absence of a principal market, in the most favourable market for the asset or liability.

The Group must have access to the principal or most favourable market.

The fair value of an asset or liability is estimated using assumptions that market participants would use in pricing the asset or liability, assuming that market participants act in their best interests. The fair value measurement of a non-financial asset takes into account

- The ability of a market participant to generate economic benefits either by using the asset in the best and
- in the most efficient manner, or as a result of its sale to another market participant that will utilise the asset in the best and most efficient manner.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted market prices in active markets for identical assets or liabilities (unadjusted);
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable in the market;
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purposes of fair value disclosures, the Group has categorised assets and liabilities based on their nature, inherent characteristics and risks, and the applicable level within the fair value hierarchy as described above.

Property, plant and equipment

Recognition and accounting

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Where an item of property, plant and equipment comprises major components having different useful lives, each component is accounted for as a consolidated item (major component) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" in net income or loss.

Subsequent costs

The cost of replacing part (major component) of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Wear and tear

Depreciation is charged on a straight-line basis over the estimated useful life of the asset to its residual value. The expected useful lives of property, plant and equipment:

	Useful life, years
Buildings and structures	25-50
Computers and office equipment	4-8
Vehicles	4-8
Other property, plant and equipment	3-4

The estimated useful lives and residual values of property, plant and equipment are reviewed at each reporting date.

Investment property

Property held to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, for use in the production or supply of goods or services, or for administrative purposes. Investment properties are recognised at cost less any accumulated depreciation and any accumulated impairment losses. The cost of investment property acquired includes acquisition costs and other purchase-related costs.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The actual cost of real estate constructed (built) by own efforts includes the cost of real estate as at the date of completion of construction. Equipment and fittings that are an integral part of the building are considered as part of investment property.

Investment property is depreciated in accordance with the principles applicable to property, plant and equipment.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that the carrying value of long-lived assets may be impaired. If any such indication exists, the recoverable amount of the asset, if any, is assessed for impairment. Where it is not possible to estimate the recoverable amount for an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Calculation of the recoverable amount

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The recoverable amount of assets that do not generate cash inflows independently is determined as part of the recoverable amount of the cash-generating unit to which the assets belong.

Reversal of impairment losses

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or jointly control those policies.

The Group's investment in its associate is accounted for using the equity method of accounting

Under the equity method, an investment in an associate is initially recognised at cost. The carrying amount of the investment is subsequently adjusted to recognise changes in the Group's share of the net assets of the associate or joint venture arising after the acquisition date.

Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

Initial recognition and measurement

Financial assets are classified upon initial recognition as those to be measured subsequently at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial asset and the business model used by the Group to manage the assets. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied a practical expedient, the Group initially measures financial assets at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it is necessary for the contractual terms of the asset to generate cash flows that are "solely payments of principal and interest" on the principal outstanding. This assessment is made at the level of each instrument. The business model used by the Group for managing its financial assets describes the manner in which the Group manages its financial assets to generate cash flows. The business model determines whether the cash flows will result from the receipt of contractual cash flows, the sale of financial assets, or both.

All purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

Subsequent evaluation

Financial assets are classified into four categories for subsequent measurement purposes:

- financial assets measured at amortised cost (debt instruments);
- financial assets at fair value through other comprehensive income with subsequent reclassification of cumulative gains and losses (debt instruments);
- financial assets designated as at fair value through other comprehensive income with no subsequent reclassification of cumulative gains and losses on derecognition (equity instruments);
- financial assets at fair value through profit or loss.

Financial assets measured at amortised cost (debt instruments)

The Group measures financial assets at amortised cost when both of the following conditions are met:

- a financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows;
- the contractual terms of the financial asset require that cash flows representing solely payments of principal and interest on the principal outstanding be received on specified dates.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets measured at amortised cost are subsequently measured using the effective interest method and impairment requirements are applied. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group classifies trade receivables and loans receivable as financial assets measured at amortised cost.

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is both to collect the contractual cash flows and to sell the financial assets;
- the contractual terms of the financial asset require that cash flows representing solely payments of principal and interest on the principal outstanding be received on the specified dates. In the case of debt instruments measured at fair value through other comprehensive income, interest income, foreign exchange gains and losses arising from impairment or reversal of such losses are recognised in profit or loss and are calculated in the same way as for financial assets measured at amortised cost. Any remaining changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative amount of changes in fair value recognised in other comprehensive income is reclassified to profit or loss. The Group does not have any debt instruments measured at fair value through other comprehensive income.

Financial assets classified at the Group's discretion as at fair value through other comprehensive income (equity instruments)

At initial recognition, the Group may elect, at its sole discretion, to designate an equity investment as at fair value through other comprehensive income if it meets the definition of equity under IAS 32 Financial Assets: Presentation and is not held for trading. This classification is decided on an instrument-by-instrument basis. Gains and losses on such financial assets are never reclassified to profit or loss.

Financial assets at fair value through profit or loss

The category of financial assets at fair value through profit or loss includes financial assets held for trading, financial assets designated at the Group's discretion upon initial recognition as at fair value through profit or loss, or financial assets designated as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments at the Group's discretion. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model used. Notwithstanding the criteria for classification of debt instruments as at amortised cost or at fair value through other comprehensive income as described above, at initial recognition the Group may elect to designate debt instruments as at fair value through profit or loss if such classification eliminates or significantly reduces an accounting mismatch.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated income statement.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Group's consolidated statement of financial position) where:

- the rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;
- the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it assesses whether and to what extent it has retained the risks and rewards of ownership. If the Group has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Group also recognises a corresponding liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and liabilities retained by the Group. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Derecognition due to a material modification of the terms of the instrument

The Group derecognises a financial asset (loans issued) when the terms of the contract are renegotiated such that it becomes a new loan and the difference is recognised as a gain or loss on derecognition before the impairment loss is recognised.

On initial recognition, loans are classified as Stage 1 loans for the purposes of measuring expected credit losses ("ECL") unless the loan originated is considered to be an acquired or originated credit-impaired ("OCI") financial asset.

In assessing whether financial assets should be derecognised due to a material modification, the Group considers, among other factors, the following:

- change in the currency of the loan;
- the addition of an equity component;
- counterparty change;
- whether the modification results in the instrument no longer meeting the SPPI test criteria.

The Group derecognises a financial liability 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. For financial liabilities, the terms are considered substantially different if the present value of the cash flows under the new terms, including fees paid less fees received discounted at the original effective interest rate ("EIR"), differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

If the modification does not result in significantly different cash flows, the modification does not result in derecognition. The Group recognises a modification gain or loss based on the change in cash flows discounted at the original effective interest rate (for financial assets before an impairment loss is recognised).

Impairment of financial assets

Expected credit losses are recognised in two stages. For financial instruments where credit risk has not increased significantly since initial recognition, a valuation allowance is established for losses in respect of credit losses that may arise from defaults that occur within the next 12 months (12-month expected credit losses). For financial instruments where credit risk has increased significantly since initial recognition, a valuation allowance is established for losses in respect of credit losses expected to arise over the remaining life of the financial instrument, irrespective of the timing of default (lifetime expected credit losses).

In respect of cash and cash equivalents, the Group calculates expected credit losses for a 12-month period. The 12-month expected credit losses are the portion of lifetime credit losses that represents the expected credit losses that would result from defaults on a financial instrument occurring within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since initial recognition, the estimated allowance for losses is measured at an amount equal to the lifetime expected credit losses.

The Group considers that there has been a significant increase in credit risk if contractual payments are overdue by more than 30 days. A financial asset is also considered to be in default if contractual payments are overdue by 90 days. However, in certain cases the Group may conclude that a financial asset is in default if internal or external information indicates that it is unlikely that the Group will receive the full amount of the remaining contractual payments without taking into account credit enhancements held by the Group.

Grouping of financial assets that are measured on a group basis

When ECL are assessed on a group basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Depending on the factors below, the Group assesses the ECL on either an individual or group basis.

Types of assets for which the Group assesses ECL on an individual basis include the following:

- all Stage 3 assets irrespective of the type of financial assets;
- large and unique instruments in the loan portfolio (more than 5% of the total loan portfolio).

Types of assets for which the Group assesses ECL on a group basis include the following:

- small and standardised assets within the retail and corporate lending portfolio.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group organises these financial assets into homogeneous groups depending on their internal and external characteristics as described below:

- product type;
- geographical location of the borrower;
- use of credit facilities;
- the value of the financial instrument.

Based on the process described above, the Group grouped financial assets as follows:

Stage 1	Upon initial recognition of a loan, the Group recognises an impairment allowance equal to 12-month ECL. Stage 1 also includes loans issued where the credit risk has decreased to such an extent that they have been transferred from Stage 2.
Step 2	If the credit risk on loans has increased significantly since initial recognition, the Group recognises an allowance for impairment in an amount equal to the lifetime ECL. Stage 2 also includes loans issued where the credit risk has decreased to the extent that they have been transferred from Stage 3.
Step 3	Loans that are credit-impaired. The Group recognises an allowance for impairment in an amount equal to the full term ECL.
CIFA	Credit-impaired financial assets (CIFA) are financial assets that are acquired or created that are credit-impaired at the time of initial recognition. When financial assets are recognised initially, they are carried at fair value and subsequently interest income is recognised based on the credit risk adjusted EIR. A provision for ECL is recognised or derecognised only to the extent that there has been a change in the amount of expected credit losses.

If the Group does not have a reasonable expectation of recovering all or part of a financial asset, the gross carrying amount of the financial asset is reduced. Such a reduction is treated as a (partial) derecognition of the financial asset.

Calculation of expected credit losses

The Group calculates ECL based on two scenarios ('base case' and 'unfavourable' scenarios), weighted by probability, to estimate the expected cash shortfalls, which are discounted using EIR or its approximate value. The cash shortfall is the difference between the cash flows due to the entity under the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculation are described below, and the basic elements are as follows:

Probability of default (PD)	The probability of default (PD) is an estimate of the probability of default over a given time horizon. Default can only occur at a specific point in time during the period under review if the asset has not been derecognised and is still part of the portfolio.
Value at risk of default (EAD)	Exposure to default risk (EAD) is an estimate of the amount exposed to default at any future date, taking into account expected changes in that amount after the reporting date, including contractual or other contractual principal and interest payments, loan repayments and interest accrued as a result of late payments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Level of loss given default (LGD) The level of loss given default (LGD) is an estimate of the loss arising in the event of default at a particular point in time. LGD is calculated as the difference between the contractual cash flows and the cash flows that the lender expects to receive, including from the realisation of collateral. This indicator is usually expressed as a percentage of EAD.

The Group considers two scenarios in assessing the ECL: a base case and an unfavourable scenario. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on ECL. "Baseline" scenario has a 75% probability and "unfavourable" scenario has a 25% probability. PD, EAD and LGD are set for each of these. When relevant, the multiple scenario assessment also considers the manner in which the defaulted loans are expected to be recovered, including the likelihood that credit quality improvements will occur, as well as the value of the collateral and the amount that could be realised from the sale of the asset.

The maximum period for which expected credit losses are calculated is the contractual maturity of the financial instrument, unless the Group has the legal right to withdraw the instrument earlier.

Impairment losses and recoveries are recognised and reported separately from gains or losses on modification, which are reported as an adjustment to the gross carrying amount of financial assets.

Forecast information

The Group uses a wide range of forward-looking information as economic inputs in its ECL determination models:

- GDP growth;
- inflation;
- oil price.

The inputs and models used in the calculation of ECL may not always reflect all market characteristics at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlaps are sometimes made as temporary adjustments if such differences are material.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, accounts payable or derivatives designated at the Group's discretion as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value, net of (in the case of payables) directly attributable transaction costs. The Group's financial liabilities include borrowings, trade and other payables and finance lease liabilities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent evaluation

The subsequent measurement of financial liabilities depends on their classification as follows: Financial liabilities at fair value through profit or loss The category "financial liabilities at fair value through profit or loss" includes financial liabilities held for trading and financial liabilities designated at the Group's discretion upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchase in the near term.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income. Financial liabilities designated at fair value through profit or loss at initial recognition are designated as such at the date of initial recognition and only if the criteria in IFRS 9 are met. The Group does not have any financial liabilities designated as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation is discharged, cancelled or expires. Where 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, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss or other component of equity.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Stocks

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. Net realisable value is based on an estimate of the probable cost of sales less all estimated costs of completion, marketing, distribution and delivery.

The cost of inventories comprises all costs of purchase, processing and other costs, including non-refundable taxes and duties, incurred in bringing the inventories to their present condition and location.

Inventories are written off to cost of services and to expenses for the period using the weighted average cost method.

Cash and cash equivalents

Cash in the consolidated statement of financial position comprises cash at banks and current bank deposits.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted cash balances

The funds recorded on the account of the Almaty City Treasury Department of the Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan are allocated for the implementation of investment projects "Almaty Municipal Bus Park No. 3" and "Simulation Training and Methodological Centre for Training of Population and Rescuers in Almaty". Cash recorded on this account may be used exclusively for making payments on investment projects. If cash is restricted in any way for a period of up to twelve (12) months from the reporting date, such cash is classified as current assets and disclosed accordingly in the notes to the consolidated financial statements. If cash is restricted for a period exceeding twelve (12) months from the reporting date, such cash is recognised as non-current assets.

Labour costs and related contributions

Wages, salaries, pension contributions, social security contributions, paid annual leave and sick leave, and bonuses are accrued in the year in which the associated services are rendered by the employees of the Group. On behalf of its employees, the Group pays pension and retirement benefits in accordance with the legal requirements of the Republic of Kazakhstan. In accordance with the legal requirements of the Republic of Kazakhstan, the Group makes payments in the amount of 10% of employee salaries as contributions to the unified state accumulative pension fund.

Upon retirement of employees, the Group's financial liabilities cease and all subsequent payments to retired employees are made by a single state accumulative pension fund. In accordance with the Law of the Republic of Kazakhstan "On Compulsory Social Health Insurance", the Group makes monthly payments to the CSHI of 3% and CSHI Contributions of 2% of employee income.

Lease

At inception of an arrangement, the Group assesses whether the arrangement is, or contains, a lease; that is, the Group determines whether the arrangement conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The Group as a lessee

The Group applies the recognition exemption for current leases to its current leases (i.e. leases with a lease term of 12 months or less at the commencement date and which do not contain an option to purchase the underlying asset). The Group also applies the recognition exemption for leases of low-value assets to leases where the value of the asset is considered to be low. Lease payments under current leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for the revaluation of lease liabilities. The initial cost of right-of-use assets includes the amount of the lease liability recognised, initial direct costs incurred and lease payments made on or before the commencement date, less lease incentives received. Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group as a lessor

Leases in which the Group retains substantially all the risks and rewards of ownership are classified as operating leases. Lease income arising is recognised on a straight-line basis over the lease term and included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rentals are recognised as revenue in the period in which they are earned.

Revenue from contracts with customers

The Group's activities involve the provision of services in the nature of its business, which may include services related to the development of investment projects, the realisation of other inventories and or services, which may include services related to the performance of trust management.

Revenue from contracts with customers is recognised when control over goods or services is transferred to the customer and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it acts as principal in its revenue arrangements because the Group controls the goods or services before they are transferred to the customer.

The Group's contracts with customers for the sale of goods and services generally include one performance obligation. The Group concluded that revenue should be recognised at a point in time when control over the assets is transferred to the customer, which is typically when goods are delivered and services are rendered.

The Group does not have exposure to variable consideration because the contract does not contain other promises that may represent separate performance liabilities (e.g. warranties, rewards points provided under the customer loyalty programme) to which a portion of the transaction price must be allocated. The Group typically receives payments from customers upon delivery of goods and services. In rare cases, the Group receives current advance payments. As a result of the practical expedient in IFRS 15, the Group does not adjust the promised consideration for the effects of a significant financing component if, at contract inception, it expects the period between the transfer of the promised good or service to the customer and the customer's payment for that good or service to be one year or less.

Contract assets

A contract asset is the Group's right to receive consideration in exchange for goods or services transferred to a customer. When the Group transfers goods or services to a customer before the customer pays the consideration or before the consideration becomes payable, a contract asset is recognised for the contingent consideration received.

Trade receivables

Accounts receivable represent the Group's right to reimbursement, which is unconditional (i.e. the passage of time is the only time that determines when such reimbursement becomes due). The accounting policy for financial assets is discussed in IFRS 9 Financial Instruments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contractual liabilities

A contract liability is an obligation to transfer goods or services to a customer for which the Group will receive consideration (or has received consideration) from the customer. If the customer pays the consideration before the Group transfers the goods or services to the customer, a contract liability is recognised when the payment is made or when the payment becomes due and payable (whichever is earlier). The contract liability is recognised as revenue when the Group fulfils its contractual liabilities.

Assets and liabilities arising from the right of return

The Group does not have a contractual right to return the goods to the customer and accordingly there are no assets and liabilities in respect of the right to return the goods to the customer.

Recognition of interest income

Interest income on all financial instruments measured at amortised cost ("AC") and financial instruments classified as at fair value through profit or loss ("FVTPL") is calculated using the effective interest rate method. Interest income on interest bearing financial assets at fair value through other comprehensive income ("FVTPL") is calculated using the effective interest rate method. The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

The EIR (and therefore the amortised cost of the asset) is calculated by taking into account any discount or premium received on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using the rate of return that represents its best estimate of the constant rate of return over the expected life of the loan. Consequently, it recognises the impact of potentially different interest rates applied at different stages and other characteristics of the life cycle of the instrument. If the cash flow expectations of financial assets are revised for reasons other than credit risk, the adjustment is recognised in the statement of financial position as a positive or negative change in the carrying amount of the asset and as an increase or decrease in interest income. The amount of the adjustment is subsequently amortised and recognised in profit or loss as interest income. The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired financial assets.

In the case of a financial asset that becomes credit-impaired and therefore qualifies for Step 3, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the default on a financial asset is cured and it is no longer credit-impaired, the Group reverts to calculating interest income on a gross value basis. Interest income on financial assets that are mandatorily designated at fair value through profit or loss is recognised using the contractual interest rate within "Net gain/(loss) on financial assets at fair value through profit or loss".

Income tax expense

Income tax expense comprises current period income tax and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in equity, in which case it is also recognised in equity.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current income tax expense is the amount of tax payable on the taxable income for the year, together with any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable income will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Related party transactions

In accordance with IAS 24 Related Party Disclosures, the Group discloses the nature of the related party relationships, together with information about those transactions and outstanding balances, necessary to understand the potential effect of those relationships on the financial statements.

For the purposes of these consolidated financial statements, parties are considered to be related if they have the ability to control or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Contingent assets and liabilities

Contingent assets are not recognised in the consolidated financial statements. When the realisation of income is virtually certain, the related asset is not contingent and its recognition is appropriate.

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources is remote.

Uncertain tax positions

Management reassesses the Group's uncertain tax positions at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the liabilities at the end of the reporting period.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Events after the reporting date

Events occurring after the end of the reporting period that provide evidence of conditions that existed at the reporting date (adjusting events) are recognised in the consolidated financial statements. Events occurring after the end of the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements if they are material.

Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

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 Group's assumptions and estimates are based on the inputs available to it at the time of preparing the consolidated financial statements.

However, current circumstances and assumptions about the future may change due to market changes or circumstances beyond the Group's control. Such changes are reflected in the assumptions as they occur.

Revenue from contracts with customers

The Group has used the following judgements which have a significant impact on the amount and timing of revenue recognition on contracts with customers:

Identification of performance liabilities in contracts for trustee services and leases of retail pavilions and equipment;

The Group found that the contract for the supply of goods contains one performance obligation - the obligation to deliver the goods.

Income from pavilions and equipment under operating leases is recognised on a straight-line basis over the lease term and included in income in the consolidated income statement due to its operating nature.

Impairment losses on financial assets

The estimation of impairment losses for all categories of financial assets requires the exercise of judgement, in particular, in determining impairment losses and assessing whether there is a significant increase in credit risk, it is necessary to estimate the amount and timing of future cash flows and the value of collateral. Such estimates are dependent on a number of factors, changes in which could result in differing amounts of impairment provisions.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group's ECL calculations are the result of complex models that incorporate a number of underlying assumptions regarding the choice of input variables and their interdependencies. The elements of the ECL calculation models that are considered to be judgements and estimates include the following:

- the criteria the Group uses to assess whether there has been a significant increase in credit risk such that the allowance for impairment losses on financial assets should be measured at an amount equal to the lifetime ECL and a qualitative assessment;
- grouping financial assets together where the ECL of financial assets are assessed on a group basis;
- development of ECL calculation models, including various formulae and choice of input data;
- Identifying the relationships between macroeconomic scenarios and economic data, and the impact on PD, EAD and LGD indicators;
- selection of forecast macroeconomic scenarios and their probability weighting to obtain economic inputs for ECL valuation models.

The Group's policy is to regularly review the models in the light of actual losses and adjust them where necessary.

Classification and measurement of fair value of investment property

Investment properties comprise land, buildings and retail pavilions which are not applied either for use in the Group's business or for sale in operating activities, but are held primarily to earn lease income and capital gains.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Fair value is determined based on recent transactions involving properties with similar characteristics and location.

Useful life of property, plant and equipment

The Group assesses the remaining useful lives of property, plant and equipment at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as changes in estimates in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. These estimates may have a material impact on the amounts of the carrying values of property, plant and equipment and depreciation recognised in the statement of profit or loss and other comprehensive income. At the reporting date, management assessed the remaining useful lives of property, plant and equipment and concluded that no revision of the useful lives of property, plant and equipment is required.

Deferred tax assets and liabilities

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable temporary differences and the commercial nature of such losses will reverse. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised in the financial statements based on the likely timing and amount of future taxable profits together with future tax planning strategies.

The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax withholding amounts differ from the amounts that were initially recognised, such differences will impact the deferred tax expense in the period in which such tax expense is incurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

In assessing tax risks, management considers known areas of tax positions that the Group would not be able to challenge, or does not believe it could successfully challenge, if assessed by the tax authorities. Such determinations involve significant judgement and are subject to change as a result of changes in tax laws and regulations, the determination of expected taxable income and the outcome of tax audits by the tax authorities.

5. COMPARATIVE INFORMATION

When the presentation of the financial statements changes during the year, comparative figures are restated to conform to the new presentation.

As a result of reclassification of the respective items, the following amounts have been restated in the Group's consolidated financial statements:

Consolidated statement of financial position as at December 31, 2022

thousand tenge	31.12.2022, before reclassification	Reclassification	31.12.2022, after reclassification
ACTIVITIES			
Non-current financial assets	14,597,467	(1,948,641)	12,648,826
Non-current receivables	142,487	5,079,745	5,222,232
Current financial assets	7,955,702	(3,131,104)	4,824,598
Restricted cash balances	65,689,724	(65,689,724)	-
Cash and cash equivalents	37,807,279	65,689,724	103,497,003
	126,192,659	-	126,192,659
EQUITY AND LIABILITIES			
Share capital	178,811,316	6,392,998	185,204,314
Repurchased own equity instruments	-	(6,392,998)	(6,392,998)
Current liabilities			
Current loans received	499	(499)	-
Trade and other payables	213,621	67,999	281,620
Taxes and payments payable	228,533	(130,103)	98,430
Corporate income tax payable	-	130,103	130,103
Other current liabilities	67,500	(67,500)	-
	179,321,469	-	179,321,469

Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2022

thousand tenge	2022, before reclassification	Reclassification	2022, after reclassification
Revenue from contracts with customers	3,931,531	(18,628)	3,912,903
Selling expenses	(83,688)	(50,704)	(134,392)
Administrative expenses	(3,200,026)	50,704	(3,149,322)
Finance income	8,190,561	(8,190,561)	-
Finance expenses	(1,893,173)	1,893,173	-
Finance income/expense, net	-	6,316,016	6,316,016
	6,945,205	-	6,945,205



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6. PROPERTY, PLANT AND EQUIPMENT

thousand tenge	Land	Buildings and structures	Machinery and equipment	Vehicles	Others	Total
Cost						
As of 1 January 2022	41,095	1,657,242	255,034	35,667	282,029	2,271,067
Receipt	1,132,357	443,802	-	-	82,812	1,658,971
Modernisation, reclassification	-	258,469	1,122	-	573	260,164
Disposal	-	(904,496)	(1,914)	-	(658)	(907,068)
As of December 31, 2022	1,173,452	1,455,017	254,242	35,667	364,756	3,283,134
Receipt	75,293	9,125,273	1,220,570	15,500	50,331	10,486,967
Disposal	-	(683,599)	(839)	-	(27,812)	(712,250)
As of December 31, 2023	1,248,745	9,896,691	1,473,973	51,167	387,275	13,057,851
Accumulated depreciation						
As of 1 January 2022	-	(135,253)	(67,610)	(12,729)	(136,415)	(352,007)
Depreciation for the year	-	(65,938)	(32,931)	(5,236)	(57,486)	(161,591)
Disposal	-	36,008	1,760	-	480	38,248
As of December 31, 2022	-	(165,183)	(98,781)	(17,965)	(193,421)	(475,350)
Depreciation for the year	-	(396,408)	(81,087)	(5,150)	(56,023)	(538,668)
Disposal	-	20,640	686	-	27,246	48,572
As of December 31, 2023	-	(540,951)	(179,182)	(23,115)	(222,198)	(965,446)
Carrying amount						
As of December 31, 2022	1,173,452	1,289,834	155,461	17,702	171,335	2,807,784
As of December 31, 2023	1,248,745	9,355,740	1,294,791	28,052	165,077	12,092,405

7. INVESTMENT PROPERTY

thousand tenge	Earth	Buildings and structures	Others	Total
Initial cost				
As of 1 January 2022	64,910,063	813,880	38,023	65,761,966
Reclassification from other items	-	308,378	-	308,378
Contributions to equity	-	134,425	579	135,004
Disposal	(23,875)	(228,594)	-	(252,469)
Depreciation on disposals	-	(46,499)	-	(46,499)
As of December 31, 2022	64,886,188	981,590	38,602	65,906,380
Receipts	-	152,703	-	152,703
Disposals	(59,730,912)	(206,155)	-	(59,937,067)
As of December 31, 2023	5,155,276	928,138	38,602	6,122,016
Accumulated depreciation				
As of 1 January 2022	-	(171,369)	(25,212)	(196,581)
Accrued for the year	-	(46,409)	(2,553)	(48,962)
Depreciation on disposals	-	46,498	-	46,498
As of December 31, 2022	-	(171,280)	(27,765)	(199,045)
Reversal of impairment loss on building	-	61,096	-	61,096
As at December 31, 2022 after restoration	-	(110,184)	(27,765)	(137,949)
Accrued for the year	-	(49,586)	(2,608)	(52,194)
Disposals	-	18,355	-	18,355
As of December 31, 2023	-	(141,415)	(30,373)	(171,788)
Accrual of provision for impairment	-	(45,109)	(491)	(45,600)
At December 31, 2023 after impairment	-	(186,524)	(30,864)	(217,388)
Carrying amount				
As of December 31, 2022	64,886,188	871,406	10,837	65,768,431
As of December 31, 2023	5,155,276	741,614	7,738	5,904,628

The Group's investment property includes properties held for lease located in Almaty.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

8. FINANCIAL ASSETS

thousand tenge	31.12.2023	31.12.2022
Non-current portion		
Loans issued to third parties	388,000	988,000
Lending to small and medium-sized businesses	15,590,749	12,034,371
Discount	(58,704)	(120,207)
Provision for expected credit losses	(251,674)	(253,338)
Total non-current financial assets	15,668,371	12,648,826
Current part		
Loans issued to third parties	2,830,508	4,967,405
Lending to small and medium-sized businesses	95,652	107,193
Provision for expected credit losses	(168,000)	(250,000)
Total current financial assets	2,758,160	4,824,598
Total financial assets	18,426,531	17,473,424

Loans issued to third parties

The Group provides current loans with an interest rate of 0.01% as part of the measure to contain prices for socially important food products, as stipulated by the Resolution of the Government of the Republic of Kazakhstan.

Lending to small and medium-sized businesses

The Group provides loans for entrepreneurial purposes to small and medium-sized businesses in Almaty, with a favourable interest rate ranging from 2%-12% per annum.

The Group provides loans to customers secured by guarantees and real estate, the value of which is determined by an independent appraisal company.

The movements in financial assets were as follows

thousand tenge	2023	2022
Nominal value and discount		
As of 1 January	17,976,762	16,817,938
Provision of principal	13,999,276	16,702,482
Repayment of principal	(13,191,594)	(17,115,674)
Taxes and payments	(57)	(76)
Interest accrued	867,339	539,623
Interest received	(861,532)	(560,643)
Other	(5,493)	32,510
Discount	-	(53,151)
Amortisation of discount	61,504	1,613,753
As of December 31.	18,846,205	17,976,762

The movements in the allowance for expected credit losses on financial assets were as follows:

thousand tenge	2023	2022
As of 1 January	(503,338)	1,553,701
Accrued	(64,224)	(2,079,654)
Recovered	147,888	22,615
As at December 31	(419,674)	(503,338)



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9. RECEIVABLES

thousand tenge	31.12.2023	31.12.2022
Non-current trade accounts receivable	70,919,978	14,123,602
Valuation allowance for impairment losses on non-current assets Receivables	(6,907,692)	(8,850,495)
Discount	(20,509,548)	(50,875)
	43,502,738	5,222,232

Non-current receivables are represented by amounts due from counterparties for assets sold by instalments and investment contracts.

In 2020, an investment agreement was concluded with Rusalding Line LLP to implement the construction project of an apartment complex at the intersection of Al-Farabi Ave. Al-Farabi - Rozybakiev Street - Gagarin Ave. Gagarin Avenue within the framework of renovation of housing stock in Almaty. On 3 July 2021, an additional agreement was signed and an investment of 5,260,000 thousand Tenge was provided on terms of 14% investment income with a maturity date till 12 June 2024 from the attracted ruble loan of Sovcombank PJSC. The Group recognised an allowance for impairment losses for the full amount.

In 2021, the Group entered into an investment agreement with Star Land LLP and provided investments in the amount of 2,000,000 thousand Tenge with an interest rate of 12% until 18 July 2022. The Group decided to create an impairment allowance for the outstanding portion of the investment.

In 2021, the Group entered into an investment agreement with Domus Qazaqstan LLP to implement the construction project of the multifunctional residential complex "Medeu City" and provided investments in the amount of 5,000,000 thousand Tenge with an investment income interest rate of 14% until 17 June 2024 from the attracted ruble loan of Sovcombank PJSC. The Group decided to create an impairment allowance taking into account the pledged property. In 2023 Domus Qazaqstan LLP fully repaid the debt including investment income under this agreement.

In 2022, the Group entered into an investment agreement with RBest Home LLP and provided an investment of KZT 1,200,000 thousand with an interest rate of 16% for the construction of a cottage town "Four Seasons Villa" with a repayment term not later than 30 June 2022. The Group decided to create an impairment allowance for the full amount of the debt, less pledged property, due to the breach of the investment repayment term.

In 2023, project agreements were entered into with Ask Prestige LLP, Sensata Construction LLP and KazSpecEnergService LLP for the development of polycentric infrastructure in Almaty for the construction of a new district under the "Eastern Gate" project located in Turksib district, Kairat mkr. for the period until 2027-2028. As part of this project, the Group has transferred land plots and the counterparties are providing the project implementation.

Non-current receivables were discounted to their net present value reflecting the fair value of the debt, representing the present value of expected cash flows at a rate of 16.75%, the discount was recognised in the amount of 25,616,053 thousand Tenge in finance costs and its amortisation was recognised in the amount of 5,106,505 thousand Tenge in finance income.



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9. RECEIVABLES (continued)

Current receivables at the end of 2023 and 2022 are shown in the table below:

thousand tenge	31.12.2023	31.12.2022
Current trade receivables	394,354	172,899
Current receivables from associates	-	223,930
Real estate lease arrears	28,438	27,513
Indebtedness on lease of land plots	14,834	13,313
Current interest receivable	1,359	4,733
Other remuneration receivable	-	803,325
Claims receivable	224,665	29,497
Other current receivables	932,927	1,036,271
Allowance for doubtful claims	(1,142,915)	(1,637,817)
	453,662	673,664

The movements in the allowance for expected credit losses on receivables were as follows:

thousand tenge	2023	2022
At the beginning of	(10,488,312)	(9,951,561)
Accrual/(Recovery)	2,439,212	133,805
Write-off	(1,507)	(670,556)
At the end of	(8,050,607)	(10,488,312)

10. OTHER NON-CURRENT ASSETS

thousand tenge	31.12.2023	31.12.2022
Construction in progress	3,267,380	2,949,698
Land plots (investments)	7,113,504	2,868,751
Right of claim under contracts	-	4,588,909
Provision for impairment of contract costs	(2,502,673)	(2,651,528)
Allowance for impairment of investments	(173,998)	(173,998)
	7,704,213	7,581,832

11. INVENTORIES

thousand tenge	31.12.2023	31.12.2022
Construction in progress of residential buildings	10,917,529	761,722
Car parks	952,966	849,779
Flats and houses	(2,383,754)	1,304,208
Non-residential premises	959,950	1,049,014
Land plots and rights of redemption of land plots intended for use in housing projects	37,964	972
Design and estimate documentation	31,258	202,881
Other materials	58,449	19,816
Allowance for impairment	(81,966)	(82,091)
	10,492,396	4,106,301



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12. ADVANCES PAID AND OTHER CURRENT ASSETS

thousand tenge	31.12.2023	31.12.2022
Advances issued against delivery of inventories and provision of services	1,136,355	124,690
Advances issued for construction of flats	7,667,524	237,411
Employees' arrears of paid wages and salaries	-	1,896
Current tax assets	374,148	72
Other taxes, levies and duties	97,519	590,972
Other	3,033	12,977
Minus: reserve	(123,675)	(125,468)
	9,154,904	842,550

13. REPO ACTIVITIES

As at 31 December 2023, the Group had outstanding reverse repurchase agreements with BCC INVEST - Subsidiary of JSC BANKCENTRECRERDIT in the amount of 11,728,105 thousand Tenge between the Group and BCC INVEST - Subsidiary of JSC BANKCENTRECRERDIT. The subject of these agreements were coupon bonds of Kazakhstan Sustainability Fund JSC, National Company Food Contract Corporation JSC, National Management Holding Baiterek JSC, KazAgroFinance JSC, state MUM bonds of the Ministry of Finance of the Republic of Kazakhstan, Eurobonds of Development Bank of Kazakhstan JSC, in total number of 494, 402,898 pieces, with annual interest rate from 5.49%-19.25%.

14. CASH AND CASH EQUIVALENTS

thousand tenge	31.12.2023	31.12.2022
Cash in bank accounts in tenge	2,841,591	1,733,883
Cash in bank accounts in US dollars	-	3
Cash in bank accounts in euros	-	101,585
Cash on deposit accounts in tenge	18,102,266	36,606,329
Cash on deposit accounts denominated in US dollars	-	9,220
Cash in treasury accounts	48,796,937	65,104,899
Provision for expected credit losses	(13,765)	(58,916)
	69,727,029	103,497,003
Restricted cash balances	1,628,199	1,633,518
Impairment of restricted cash balances	(1,628,199)	(1,633,518)
	-	-
	69,727,029	103,497,003

Cash on treasury accounts is represented by cash in the RGU "Almaty City Treasury Department of the Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan". Cash was allocated for the purpose of realisation of 5 (five) investment projects. Cash recorded on this account is restricted in use and can be used only for making payments on investment budget projects developed within the framework of the Financial and Economic Substantiation.

Cash on deposit accounts represent deposits placed with second-tier banks of the Republic of Kazakhstan for up to three months at interest rates in 2023 of 14.75% - 15.25% (2022: 14.5% - 15.25%).

Restricted cash balances

Restricted cash is represented by deposits previously placed with KazInvestBank JSC and Bank Astana-Finance JSC.



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as at and for the year ended December 31, 2023

14. CASH AND CASH EQUIVALENTS (continued)

In accordance with the Resolution of the National Bank of the Republic of Kazakhstan No. 291 dated 26 December 2016, the decision was made to revoke the licence of KazInvestBank JSC for banking and other operations and securities market activities. The Group's funds placed with KazInvestBank JSC totalled 2,000,000 thousand Tenge.

On 17 May 2017, an agreement on one-time transfer of assets and liabilities from the temporary administration of JSC "KazInvestBank" to JSC SB "Alfa-Bank" was concluded. Based on this agreement, on 23 June 2017, the Group and JSC SB Alfa-Bank entered into an agreement on pledge of cash classified by the Group as non-current restricted cash.

In September 2018, The National Bank of the Republic of Kazakhstan revoked the banking licence of JSC "Bank Astana-Finance". The Group recognised a full provision for expected credit losses on deposits with this bank.

The Group has accrued an allowance for expected credit losses for the full amount. The Group reverses the accrued allowance for expected credit losses for the amount of payments received.

15. EQUITY

Information on the sole shareholder and ultimate controlling party is disclosed in Note 1.

Movements in share capital for 2023 are summarised below:

thousand tenge	Share capital	Unpaid capital	Total shareholders' equity
As of 1 January	185,359,894	(209,768)	185,150,126
Share issue announcement	7,991,675	(7,991,675)	-
Transfer of title to tangible assets	-	8,201,443	8,201,443
As of December 31.	193,351,569	-	193,351,569

Dividends

In accordance with Kazakhstan legislation, the Group's distributable reserves cannot exceed the Group's retained earnings as shown in its consolidated financial statements prepared in accordance with IFRS, or income for the period in the case of a loss carryforward. Distribution may not be made if it would result in a capital deficit or insolvency of the Group. No dividends were declared during the reporting period (2022: no dividends declared).

Other transactions in own equity instruments

Other transactions are represented by an adjustment for the difference in the share price on the repurchase of treasury shares.



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as at and for the year ended December 31, 2023

17. TRADE AND OTHER PAYABLES

thousand tenge	31.12.2023	31.12.2022
Trade payables	3,013,280	121,271
Estimated liability for claims	200,000	-
Guarantee fees for tender participation	82,563	37,297
Indebtedness to individuals on liabilities housing transfer	6,261	14,700
Wage arrears	216	296
Other accounts payable	150,372	108,056
	3,452,692	281,620

18. REVENUE FROM CONTRACTS WITH CUSTOMERS

thousand tenge	2023	2022
Realisation of flats, residential buildings and non-residential premises	2,937,179	2,799,868
Operator services for maintenance and support Industrial zone in Alatau district of Almaty City	1,732,545	621,931
Agency fees	737,255	-
Income from operating leases	206,752	221,338
Income from sale of food products	214,178	-
Donation of flats	140,190	269,766
	5,968,099	3,912,903

The Group's sales of services and transfers of flats and residential buildings are made over a period of time as the customer both receives and consumes the benefits as the Group delivers them.

19. COST OF SALES

thousand tenge	2023	2022
Cost of flats and residential buildings	2,240,886	632,539
Amortisation	457,219	92,932
Payroll expenses	264,064	63,168
Realisation of food products	214,178	-
Cost of non-residential premises	166,376	1,381,889
Expenses for services	137,545	26,083
Cost of car parks	127,198	-
Other	97,351	28,947
Professional services	30,823	-
Social tax and social contributions	21,689	6,641
Prepaid expenses	12,589	-
	3,769,918	2,232,199



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20. ADMINISTRATIVE EXPENSES

thousand tenge	2023	2022
Payroll expenses	2,283,384	1,748,088
Taxes and payments to the budget	242,521	403,312
Provision for legal action	200,000	-
VAT not recognised for credit	167,611	11,733
Social tax and social contributions	166,960	142,226
Depreciation and amortisation	150,412	133,912
Other	107,184	104,463
Lease expenses	78,419	61,067
Audit and evaluation expenses	69,286	22,380
Expenses for the realisation of the fair	56,309	-
Counselling services	34,308	10,652
Personnel services	30,151	1
Insurance expenses	28,024	16,911
Repairs and maintenance of property, plant and equipment	26,692	28,021
Bank services	23,107	2,196
Travel expenses	14,899	3,428
Expenses on repurchase transactions	13,724	-
Materials	10,434	11,513
Information services	9,820	4,746
Services of third-party organisations	8,929	12,985
Utility costs	7,151	14,645
Security services	6,781	17,176
Financial services	6,103	5,810
Office cleaning	3,297	2,965
Communication services	3,140	7,709
Prepaid expenses	1,412	1,112
Sponsorship and charity	-	382,271
	3,750,058	3,149,322

21. FINANCIAL INCOME, EXPENSES, NET

thousand tenge	2023	2022
Finance income		
Income from repurchase transactions	2,587,857	682,405
Income from investing activities	1,140,521	2,252,789
Fees on deposits	2,114,542	1,362,040
Amortisation of discount on instalment contracts	5,157,381	-
Amortisation of discount on loans issued	61,506	234,116
Interest on loans	826,574	556,502
Discount on loans received	(400,584)	3,120,011
Others	-	1,326
	11,487,797	8,209,189
Finance costs		
Discount on instalment contracts	(25,616,053)	-
Amortisation of discount on loans received	(1,699,104)	(694,163)
Interest expense on loans and borrowings	(463,681)	(965,478)
Discount on loans issued	-	(171,088)
Interest expense on finance leases	-	(62,444)
	(27,778,838)	(1,893,173)
Total finance (expense) income	(16,291,041)	6,316,016



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22. PROCEEDS FROM SALE OF PROPERTY, NET

thousand tenge	Proceeds from sale of property	Expenses on sale of property	Total proceeds from sale of property, net
2023			
Land plots	90,757,532	(59,730,912)	31,026,620
Flats	41,521	(9,377)	32,144
Other assets	144,301	(51,439)	92,862
Total proceeds from sale of property, net	90,943,354	(59,791,728)	31,151,626
2022			
Land plots	17,589	(73,006)	(55,417)
Rights to use land plots	95,342	(102,063)	(6,721)
Buildings	353,748	(223,377)	130,371
Other assets	1,476,881	(1,516,479)	(39,598)
Total proceeds from sale of property, net	1,943,560	(1,914,925)	28,635

23. REVERSAL OF IMPAIRMENT LOSSES / (LOSSES) ON IMPAIRMENT

thousand tenge	2023	2022
Reversal (creation) of provision for impairment losses		
Receivables	2,479,031	(9,824,587)
Reversal of allowance for impairment of loans issued	560,046	8,284
Reversal of allowance for cash impairment losses	44,627	92,045
Reversal (creation) of provision for impairment of advances paid	186	(24,873)
Provisions for fines	3	-
Provisions on reverse repurchase transactions	(91)	-
Provision for impairment of other non-current assets	-	(2,825,526)
(Creation of) reversal of (provision for) impairment allowance investment property	(45,600)	61,096
Provision for impairment of inventories	-	(62,030)
	3,038,202	(12,575,591)

24. INCOME TAX EXPENSE

The Group's income tax expense for the years ended December 31, 2023 and 2022 is as follows:

thousand tenge	2023	2022
Current income tax expense	8,297,919	413,864
Deferred income tax expense	(381,591)	113,612
	7,916,328	527,476

In the Republic of Kazakhstan, income tax is calculated at the rate of 20% of the estimated taxable profit for the year (period). Deferred tax is calculated at the rates applicable to the period when the asset is realised or the liability is settled.

A reconciliation of the 20% income tax rate to the actual income tax expense recorded in the Group's statement of profit or loss for the year ended December 31, 2023 and 2022 is set out below:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

24. INCOME TAX EXPENSE (continued)

thousand tenge	2023	2022
Income before income tax	19,044,615	(8,052,339)
Tax at the statutory rate of 20%	3,808,923	(1,610,468)
Tax effect of temporary and other permanent differences	(116)	2,125,012
Unrecognised tax assets	4,107,521	12,932
Income tax expense	7,916,328	527,476
Effective tax rate	42%	-7%

The amounts of deferred tax assets and (liabilities) are summarised below:

thousand tenge	31.12.2022	Charged to profit/(loss)	31.12.2023
Property, plant and equipment and intangible assets	(28,848)	(71,783)	(100,631)
Discount on loans received and its amortisation	-	(610,095)	(610,095)
Taxes payable	4,965	(2,065)	2,900
Provision for leave	9,800	8,757	18,557
Provision for legal claims	-	40,000	40,000
Other provisions	(463,703)	1,016,777	553,074
Total deferred tax liabilities	(477,786)	381,591	(96,195)

Deferred tax assets have not been recognised in respect of the following items because it is not probable that the Company will generate future taxable income against which the deferred tax assets can be utilised:

thousand tenge	31.12.2022	Charged to profit/(loss)	31.12.2023
Discount on non-current receivables	-	4,101,910	4,101,910
Property, plant and equipment and intangible assets	5,314	(6,890)	(1,576)
Taxes payable	347	626	973
Provision for leave	2,178	1,930	4,108
Other provisions	368	-	368
Discount and amortisation of discount on loans issued	3,865	(2,302)	1,563
Allowance for expected credit losses on loans issued	860	(685)	175
Total unrecognised deferred tax assets	12,932	4,094,589	4,107,521

25. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

25. RELATED PARTIES DISCLOSURE (continued)

Transactions and balances with related parties

thousand tenge	Parent company	Associated companies
2023		
Loans received	15,000,000	-
Realisation to related parties	1,307,015	-
Share of loss of associates	-	(36,363)
2022		
Loans received	26,574,002	-
Realisation to related parties	105,642	-
Share of loss of associates	-	(10,919)

Movements in loans receivable are disclosed in the relevant line items of the consolidated financial statements.

Transactions with key management personnel

Total remuneration to key management personnel included in administrative expenses (Note 20) amounts to 191,130 thousand Tenge(2022: 111,496 thousand Tenge).

26. CONTRACTUAL COMMITMENTS AND CONTINGENCIES

Lawsuits

The Group is involved in various immaterial legal proceedings relating to its operating activities, such as claims for fines, penalties under loan agreements and disputes over government procurement. The Group does not believe that any such legal proceedings, pending or threatened claims, individually or in the aggregate, could have a material adverse effect on its financial position or results of operations.

The Group assesses the likelihood that a material liability will arise and recognises a provision in the financial statements only when it is reasonably probable that events giving rise to the liability will occur and the amount of the liability can be reasonably estimated.

Taxation

Kazakhstan tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not uncommon. The current regime of penalties and interest for discovered and confirmed violations of Kazakhstan tax legislation is severe.

Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Due to the inherent uncertainties in the Kazakhstan taxation system, potential taxes, penalties and interest, if any, may exceed the amount currently expensed and accrued as at December 31, 2023.

Management believes that as at December 31, 2023, its interpretation of applicable law is appropriate and it is probable that the Group's tax position will be sustained.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27. FINANCIAL RISK MANAGEMENT (continued)

The Group's financial instruments are presented as follows:

thousand tenge	31.12.2023	31.12.2022
Financial Assets:		
Non-current financial assets	15,668,371	12,648,826
Investment securities	62,739	104,616
Non-current receivables	43,502,738	5,222,232
Trade and other receivables	453,662	673,664
Current financial assets	2,758,160	4,824,598
Repurchase asset	11,728,105	-
Cash and cash equivalents	69,727,029	103,497,003
	143,900,804	126,970,939
Financial Liabilities:		
Non-current loans received	7,709,313	21,423,837
Current loans received	4,240,207	-
Trade and other payables	3,350,071	213,621
	15,299,591	21,637,458

Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from the Group's lending and other transactions with counterparties giving rise to financial assets. Financial assets potentially exposing the Group to credit risk consist principally of cash and cash equivalents, deposits, trade receivables from related parties.

The Group's maximum exposure is equal to the carrying amount of these instruments:

thousand tenge	31.12.2023	31.12.2022
Non-current financial assets	15,668,371	12,648,826
Investment securities	62,739	104,616
Non-current receivables	43,502,738	5,222,232
Trade and other receivables	453,662	673,664
Current financial assets	2,758,160	4,824,598
Repurchase asset	11,728,105	-
Cash and cash equivalents	69,727,029	103,497,003
	143,900,804	126,970,939

The Group establishes a valuation allowance for expected credit losses.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may arise from the inability to sell a financial asset quickly at a price close to its fair value. The Group regularly monitors liquidity needs and management ensures that sufficient funds are available to honour any commitments made.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

27. FINANCIAL RISK MANAGEMENT (continued)

The following are the contractual maturities of financial liabilities, including estimated undiscounted interest payments:

thousand tenge	Less than 3 months	3 to 12 months	From 1 to 5 years	Total
December 31, 2023.				
Trade and other payables	3,013,302	336,769	-	3,350,071
Loans received	2,000,375	4,001,125	9,001,025	15,002,525
	5,013,677	4,337,894	9,001,025	18,352,596
December 31, 2022.				
Trade and other payables	69,041	6,382	138,198	213,621
Loans received	-	-	20,158,433	20,158,433
	69,041	6,382	20,296,631	20,372,054

Interest rate risk

The Group does not have any variable rate borrowings at the reporting dates. The Group does not account for any fixed rate financial instruments in the manner described for instruments at fair value through profit or loss or as available-for-sale. Therefore, any change in interest rates at the reporting date would not have affected profit or loss or equity.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency exchange rate risk relates to the Group's operating activities. As at December 31, 2023, the Group has no financial instruments other than its functional currency and is not exposed to foreign currency risk.

Fair value

Management believes that the fair value of the Group's financial assets and liabilities approximates their carrying amounts.

28. EVENTS AFTER REPORTING DATE

On 28 June 2024, the Group repaid debt and accrued interest on loans received under the Agreements on termination of three loan agreements in the amount of 8,000,277 thousand Tenge.

There were no other events subsequent to the balance sheet date December 31, 2023 up to the date of approval of these consolidated financial statements.

29. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and signed by the Group's management on 28 June 2024.

