Almaty Social-Entrepreneurial

Corporation JSC

Separate financial statements

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

Contents

Statement of management's responsibility for preparation and approval of the separate 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 separate financial statements of Almaty Social-Entrepreneurial Corporation JSC (the Company).

Management is responsible for the preparation of separate 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 separate financial statements, the Company's 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 IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- assessing the Company's ability to continue as a going concern.

Management is also responsible for:

- developing, implementing and maintaining an effective and reliable system of internal control of the Company;
- keeping records in a form that discloses and explains the Company's transactions and provides, as at any date, information of sufficient accuracy about the Company's financial position and ensures that the separate 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 Company; and
- detection and prevention of financial and other abuses.

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

Aldazharov E.K.	**Alimova B.E.**
Deputy Chairman of the Management Board	Chief Accountant - Director of the Accounting and Reporting Department

Қазақстан Республикасы Алматы қаласы Акционерлік қоғамы «Алматы» әлеуметтік - кәсіпкерлік корпорациясы
«Социально-предпринимательская корпорация «Алматы»
Акционерное общество Республика Казахстан город Алматы

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the separate financial statements of Almaty Social-Entrepreneurial Corporation JSC (the "Company"), which comprise the separate statement of financial position as at December 31, 2023, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

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

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 Separate Financial Statements* section of our report. We are independent of the Company **in** accordance with the International Ethics Standards Board for Accountants' *Code of* Ethics for *Professional* Accountants (IESBA Code) and 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 separate financial statements

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

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to liquidate or cease operations.

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

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

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate 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 Company to lose its ability to continue as a going concern;
- Evaluate the overall presentation of the separate financial statements, their structure and content, including the disclosures, and whether the separate financial statements present 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 Kudaibergenova
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

SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

thousand tenge	Note.	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment		61,811	457,497
Investment property	6	5,775,788	65,632,069
Intangible assets		25,646	89,141
Investments	7	110,964,179	92,296,592
Non-current financial assets	8	99,110	649,120
Non-current receivables	9	43,502,738	6,561,990
Other non-current assets	10	2,922,935	7,503,728
Total non-current assets		**163,352,207**	**173,190,137**
Current assets			
Inventories	11	778,155	2,116,267
Trade and other receivables	9	190,045	268,162
Current financial assets	8	2,662,508	4,717,405
Prepayment of income tax		-	2,957
Advances paid and other current assets	12	1,364,356	543,240
Repurchase asset	13	11,728,105	-
Cash and cash equivalents	14	50,602,513	76,314,253
Total current assets		**67,325,682**	**83,962,284**
TOTAL ACTIVITIES		**230,677,889**	**257,152,421**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	193,351,569	185,150,126
Repurchased own equity instruments		(21,051,538)	(6,392,998)
Uncovered loss		(1,412,326)	(11,009,900)
Total equity		**170,887,705**	**167,747,228**
Non-current liabilities			
Non-current loans received	16	7,709,313	21,423,837
Other non-current liabilities		178	178
Deferred tax liabilities	25	59,197	438,127
Total non-current liabilities		**7,768,688**	**21,862,142**
Current liabilities			
Current loans received	16	4,240,207	-
Trade and other payables	17	46,135,484	67,319,516
Taxes and payments payable		25,705	54,929
Corporate income tax payable		1,520,970	-
Liabilities under customers' contracts	18	99,130	168,606
Total current liabilities		**52,021,496**	**67,543,051**
Total liabilities		**59,790,184**	**89,405,193**
TOTAL EQUITY AND LIABILITIES		**230,677,889**	**257,152,421**

These separate financial statements have been authorised by the management of the Company 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

«Алматы» әлеуметтік - кәсіпкерлік корпорациясы
«Социально-предпринимательская корпорация «Алматы»

Russell Bedford A+ Partners

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

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

thousand tenge	Note.	2023	2022
Revenue from contracts with customers	19	3,873,166	2,500,475
Cost of sales	20	(1,569,488)	(1,394,267)
Gross income		**2,303,678**	**1,106,208**
Administrative expenses	21	(1,745,052)	(1,894,456)
Finance income/expense, net	22	(19,280,470)	5,001,028
Other income/expense, net		134,396	236,926
Income from sale of property, net	23	32,238,772	26,318
Share of loss of associates		(36,363)	(10,919)
Net foreign exchange gains/losses		2,579,888	(1,217,770)
Reversal of impairment losses/ impairment losses	24	2,630,396	(13,218,713)
Income before income tax		**18,825,245**	**(9,971,378)**
Income tax expense	25	(7,381,560)	(365,194)
Net income for the year		**11,443,685**	**(10,336,572)**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**11,443,685**	**(10,336,572)**

These separate financial statements have been authorised by the management of the Company 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 separate financial statements

SEPARATE CASH FLOW STATEMENT (direct method)
FOR THE YEAR ENDED DECEMBER 31, 2023

thousand tenge	2023	2022
Cash flows from operating activities		
Cash received from customers	431,834	744,044
Guarantee contributions	5,391	4,780
Other income	1,983,254	591,732
Obtaining loans	–	4,000,000
Loan disbursement	–	(9,796,296)
Repayment from third party financing	–	11,109,378
Cash paid to suppliers and contractors	(1,540,155)	(3,287,160)
Cash paid to employees	(767,192)	(700,884)
Other taxes and social payments paid	(600,900)	(438,679)
Income tax paid	(6,205,000)	(185)
Interest paid	(463,681)	(1,100)
Other payments	(6,077)	(328,695)
Net cash used in operational activities	**(7,162,526)**	**1,896,935**
Cash flows from investing activities		
Repayment of loans issued	8,724,722	–
Returns from third party financing	8,839,764	3,282,406
Disposal of property, plant and equipment and investment property	5,214,124	–
Remuneration received	1,498,474	2,295,107
Others	223,930	–
Loan disbursement	(5,866,866)	(3,438,000)
Acquisition of property, plant and equipment and investment property	(198,234)	(2,327)
Repurchase transactions, net	(11,728,105)	1,654,164
Investment in subsidiary	(22,307,962)	(7,033,540)
Net cash used in investment activities	**(15,600,153)**	**(3,242,190)**
Cash flows from financing activities activities:		
Loan repayments	(8,820,000)	–
Contributions to share capital	6,000,000	67,650,477
Net cash used in financial activities	**(2,820,000)**	**67,650,477**
Net (decrease) increase in cash	(25,582,679)	66,305,222
Change in allowance for expected credit losses	44,840	(13,774)
Effect of exchange rate changes on cash flows	(173,901)	68,584
Cash at the beginning of the year	76,314,253	9,954,221
Cash at the end of the year	**50,602,513**	**76,314,253**

These separate financial statements have been authorised by the management of the Company 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 are an integral part of these separate financial statements

SEPARATE 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)**	**(729,015)**	**109,741,096**
Issuance of shares	65,401,727	2,885,290	-	**68,287,017**
Net loss for the year	-	-	(10,336,572)	**(10,336,572)**
Other operations	-	-	55,687	**55,687**
Balance at December 31, 2022	**185,150,126**	**(6,392,998)**	**(11,009,900)**	**167,747,228**
Issuance of shares	8,201,443	(14,658,540)	-	**(6,457,097)**
Net income for the year	-	-	11,443,685	**11,443,685**
Other transactions with own equity instruments	-	-	(1,846,111)	**(1,846,111)**
Balance at December 31, 2023	**193,351,569**	**(21,051,538)**	**(1,412,326)**	**170,887,705**

These separate financial statements have been authorised by the management of the Company 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 are an integral part of these separate financial statements

4

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

as at and for the year ended December 31, 2023

1. GENERAL INFORMATION

Almaty Social-Entrepreneurial Corporation JSC (the "Company") was initially 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 Department of Justice of Almaty 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 Company's actual and legal address is: 303, Block B, Baizakov Street, Almaty, 050040, Republic of Kazakhstan.

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

The Company operates in the Republic of Kazakhstan. The assets and liabilities of the Company are located in the Republic of Kazakhstan.

The principal activity of the Company is consulting on commercial and management issues, regulating and promoting efficient economic activity, formation of a regional stabilisation fund and implementation of mechanisms to stabilise prices for socially important food products.

On 31 March 2023, Fitch Ratings Ltd (London UK) affirmed the Company'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 Company's foreign and local currency default ratings at 'BBB-' with a 'Stable' outlook.

The Company has the following subsidiary organisations:

		Share of participation	
Company/location	**Type of activity**	**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.

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2. BASIS FOR PREPARATION OF SEPARATE FINANCIAL STATEMENTS

Statement of compliance

These separate financial statements of the Company 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 separate 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 separate financial statements of the Company 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 2023, the Company received income of 11 443 684 thousand Tenge (2022 - loss of 10 336 572 thousand Tenge). Shareholders' equity amounts to 170 887 704 thousand Tenge (2022: - 167 747 228 thousand Tenge).

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

Changes in accounting policies and presentation

The accounting policies adopted in preparing the separate financial statements are consistent with those applied in preparing the Company's separate annual financial statements for the year ended December 31, 2023.The Company 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 separate financial statements, the Company 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.

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

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 Company.

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 a material impact on the Company's separate financial statements.

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 Company's separate 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 Company's separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

In the separate statement of financial position, the Company presents assets and liabilities based on their classification into current (current) and non-current. 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;

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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 Company does not have an unconditional right to defer settlement of the liability for at least 12 (twelve) months after the end of the reporting period.

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

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 Company 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 when 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 Company 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

For the purposes of fair value disclosures, the Company 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.

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 separate 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 Company and its cost can be measured reliably. The carrying amount of the replaced part is written off. Expenses related to repairs and maintenance 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.

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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 fixtures and fittings that are an integral part of the building are treated 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 Company assesses at each reporting date whether there is any indication that the carrying amount of long-lived assets may be impaired. If any such indication exists, the recoverable amount of the assets, if any, is assessed for possible impairment. Where it is not possible to estimate the recoverable amount for an individual asset, the Company 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 no impairment loss had been recognised.

Investments in subsidiaries

Investments in subsidiaries are carried in the separate financial statements at cost less impairment. An impairment loss, if any, is recognised as an expense in the period in which the impairment occurs.

Investments in associates

An associate is an entity over which the Company 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 Company'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 Company's share of the net assets of the associate or joint venture arising after the acquisition date.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Financial assets

Initial recognition and measurement

Financial assets are classified upon initial recognition as subsequently measured 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 Company to manage the assets. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied a practical expedient, the Company 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 Company 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 Company for managing its financial assets describes the manner in which the Company 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 Company 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;

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company measures financial assets at amortised cost if 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.

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 Company 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 Company 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 Company does not have any debt instruments measured at fair value through other comprehensive income.

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

On initial recognition, the Company 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 Company'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.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative instruments, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments at the Company'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 Company may elect to designate debt instruments as at fair value through profit or loss if such classification eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the separate statement of financial position at fair value with net changes in fair value recognised in the separate 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 Company's separate statement of financial position) where:

- the rights to receive cash flows from the asset have expired;
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Company 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 Company. 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 Company could be required to repay.

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

The Company derecognises a financial asset (loans issued) when the terms of the contract are renegotiated such that it becomes a new loan in substance, 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

In assessing whether financial assets should be derecognised due to a material modification, the Company 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 Company 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.

If the modification does not result in significantly different cash flows, the modification does not result in derecognition. The Company 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).

For cash and cash equivalents, the Company 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 Company 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 Company may conclude that a financial asset is in default if internal or external information indicates that it is unlikely that the Company will receive the full amount of the remaining contractual payments without taking into account credit enhancement arrangements retained by the Company.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Calculation of expected credit losses

The Company calculates ECL based on two scenarios ('base case' and 'unfavourable' scenarios), weighted by probability, to estimate expected cash shortfalls, which are discounted using EPS 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.
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.

When assessing the ECL, the Company considers two scenarios: baseline and unfavourable. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on ECL. "Base case" 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 Company 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Forecast information

The Company 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 do not always reflect all market characteristics at the date of the separate 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 Company'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 Company's financial liabilities include borrowings, trade and other payables and finance lease liabilities.

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 Company'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 separate statement of profit or loss and other comprehensive income. Financial liabilities designated at the Company's discretion upon initial recognition as at fair value through profit or loss are designated as such at the date of initial recognition and only if the criteria in IFRS 9 are met. The Company does not have any financial liabilities classified at its discretion 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 separate statement of profit or loss or other component of equity.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the separate 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 separate statement of financial position comprises cash at banks and current bank deposits.

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 purpose of investment projects implementation:

- for the implementation of the project "Construction of the Communal Bus Park No. 3 of Almaty city;
- for implementation of the project "Construction of "Simulation training and methodological centre for training of population and rescuers in Almaty city";
- for implementation of the project "Construction of seven 16-storey residential buildings south of Zhandosova Street, between Suleimenova Street and Shchepkina Street in Auezovsky district of Almaty city";
- for implementation of the project "Construction of apartment complexes in Almaty city";
- for the implementation of the project "Acquisition of flats for the establishment of a resettlement fund".

Cash recorded in 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 separate 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 insurance 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 Company. On behalf of its employees, the Company pays pension and retirement benefits as required by the legal requirements of the Republic of Kazakhstan. In accordance with the legal requirements of the Republic of Kazakhstan, the Company makes payments in the amount of 10% of employees' salaries as contributions to the unified state accumulative pension fund.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Lease

At inception of an arrangement, the Company assesses whether the arrangement is, or contains, a lease; that is, the Company 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 Company as a lessee

The Company applies the exemption from recognition for current leases to its current leases (i.e. leases that have a lease term of 12 months or less at the commencement date and do not contain an option to purchase the underlying asset). The Company also applies the recognition exemption for leases of low-value assets to leases for which the value is considered to be low. Lease payments for current leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. The Company 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 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.

The Company as a lessor

Leases where the Company retains substantially all the risks and rewards of ownership of the asset 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 Company's activities are related to the provision of services in the nature of its business, which may include services related to the development of investment projects, realisation of other inventories and or services, which may include services related to the implementation 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 Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is acting as principal in its revenue arrangements because the Company controls the goods or services before they are transferred to the customer.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Company 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 Company typically receives payments from customers upon delivery of goods and services. In rare instances, the Company receives current upfront payments. As a result of the practical expedient in IFRS 15, the Company does not adjust the promised consideration for the impact 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 Company's right to receive consideration in exchange for goods or services transferred to a customer. If the Company transfers goods or services to the 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 Company's right to reimbursement that 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.

Contractual liabilities

A contractual obligation is an obligation to transfer goods or services to a customer for which the Company will receive consideration (or has received consideration) from the customer. If the customer pays the consideration before the Company 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 Company has performed its liabilities under the contract.

Assets and liabilities arising from the right of return

The Company 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Company recognises interest income using the rate of return, which is the best estimate of a 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 Company 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 Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If a default on a financial asset is cured and it is no longer credit-impaired, the Company 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related party transactions

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

For the purposes of these separate 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 and 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 separate financial statements. When the realisation of income is virtually certain, then the related asset is not contingent and its recognition is appropriate.

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

Uncertain tax positions

Management reassesses the Company'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.

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 separate financial statements. Events occurring after the end of the reporting period that are not adjusting events are disclosed in the notes to the separate financial statements if they are material.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's separate 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 balance sheet 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 Company's assumptions and estimates are based on the inputs it had at the time the separate financial statements were prepared.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Revenue from contracts with customers

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

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

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

Income from trading pavilions and equipment leased out under operating leases is recognised on a straight-line basis over the lease term and included in income in the separate 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.

The Company's ECL calculations are the result of complex models that include 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 used by the Company 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 full term ECL and a qualitative assessment;
- grouping financial assets together where the ECLs 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 Company's policy implies regular review of models taking into account actual losses and their adjustment if necessary.

Classification and measurement of fair value of investment property

Investment properties comprise land, buildings and retail pavilions that are not applied for use in the Company's business or for sale in operations, 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Useful life of property, plant and equipment

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

Taxation

In assessing tax risks, management considers known areas of tax positions that the Company 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 the reclassification of the relevant items, the following figures in the Company's separate financial statements have been restated:

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5. COMPARATIVE INFORMATION (continued)

Separate statement *of* financial position as at December 31, 2022

thousand tenge	December 31, 2022, before reclassification	Reclassification	December 31, 2022, after reclassification
ASSETS			
Non-current assets			
Investments	92,554,820	(258,228)	92,296,592
Non-current financial assets	3,343,892	(2,694,772)	649,120
Non-current receivables	142,487	6,419,503	6,561,990
Current assets			
Trade and other receivables	578,160	(309,998)	268,162
Current financial assets	7,873,910	(3,156,505)	4,717,405
Restricted cash balances	65,104,899	(65,104,899)	-
Cash and cash equivalents	11,209,354	65,104,899	76,314,253
	180,807,522	**-**	**180,807,522**
EQUITY AND LIABILITIES			
Equity			
Share capital	178,757,128	6,392,998	185,150,126
Repurchased own equity instruments	-	(6,392,998)	(6,392,998)
Current liabilities			
Trade and other payables	67,289,941	29,575	67,319,516
Other current liabilities	29,575	(29,575)	-
	246,076,644	**-**	**246,076,644**

Separate 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
Impairment losses	(10,098,701)	(3,120,012)	(13,218,713)
Finance income	3,530,085	(3,530,085)	-
Finance expenses	(1,649,069)	1,649,069	-
Finance income/expense, net	-	5,001,028	5,001,028
	(8,217,685)	**-**	**(8,217,685)**

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6. INVESTMENT PROPERTY

thousand tenge	Land	Buildings and structures	Others	Total
Initial cost				
As of 1 January 2022	**64,910,063**	**669,292**	**3,246**	**65,582,601**
Reclassification from inventories	-	308,378	-	308,378
Contributions to authorised capital	-	134,425	579	135,004
Disposal	(23,875)	(223,248)	-	(247,123)
Depreciation on disposals	-	(46,499)	-	(46,499)
As of December 31, 2022	**64,886,188**	**842,348**	**3,825**	**65,732,361**
Receipts	-	152,703	-	152,703
Disposals	(59,730,912)	(206,155)	-	(59,937,067)
As of December 31, 2023	**5,155,276**	**788,896**	**3,825**	**5,947,997**
Accumulated depreciation				-
As of 1 January 2022	-	**(166,075)**	**(487)**	**(166,562)**
Accrued for the year	-	(40,636)	(689)	(41,325)
Depreciation on disposals	-	46,499	-	46,499
As of December 31, 2022	-	**(160,212)**	**(1,176)**	**(161,388)**
Reversal of impairment loss on building	-	61,096	-	61,096
As at December 31, 2022 after restoration	-	**(99,116)**	**(1,176)**	**(100,292)**
Accrued for the year	-	(43,927)	(745)	(44,672)
Disposals	-	18,355	-	18,355
As of December 31, 2023	-	**(124,688)**	**(1,921)**	**(126,609)**
Accrual of provision for impairment	-	(45,109)	(491)	(45,600)
At December 31, 2023 after impairment	-	**(169,797)**	**(2,412)**	**(172,209)**
Carrying amount				
As of December 31, 2022	**64,886,188**	**743,232**	**2,649**	**65,632,069**
As of December 31, 2023	**5,155,276**	**619,099**	**1,413**	**5,775,788**

The Company's investment property includes real estate held for lease located in Almaty.

The fair value of investment property at December 31, 2023 approximates its carrying value.

7. INVESTMENTS

	December 31, 2023		December 31, 2022	
thousand tenge	**Share of participation, %**	**Cost**	**Share of participation, %**	**Cost**
Almaty Finance LLP	100	25,627,580	100	19,627,580
Industrial Zone - Almaty LLP	100	10,944,418	100	2,742,976
"Enterprise of capital of construction in Almaty" LLP	100	76,799,508	100	72,283,750
Innovation Safety Centre LLP	49	151,043	49	187,406
Sunkar Farm	49	70,822	49	70,822
		113,593,371		**94,912,534**
Allowance for impairment		(2,629,192)		(2,615,942)
		110,964,179		**92,296,592**

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7. INVESTMENTS (continued)

Almaty Finance (Almaty Finance) LLP

In 2010, the minutes of the meeting of the Board of Directors of the Company made a decision to establish a subsidiary company Almaty Azyk LLP, the main activity of which was aimed at implementation of the food programme of Almaty. On December 31, 2015, the Company decided to impair this investment in the amount of 100%.

On July 19, 2019, by the decision of the Board of Directors of the Company, within the framework of the Regional Entrepreneurship Development Programme "Almaty Business 2025", to increase support for entrepreneurs and availability of preferential financing, subsidiaries Almaty Finance LLP (on the basis of Almaty Azyk LLP), Almaty MFI LLP - a subsidiary of Almaty Finance LLP were established.

The subsidiary is engaged in the business of providing loans for entrepreneurial purposes to small and medium-sized enterprises.

Almaty Industrial Zone LLP

In 2015, the Minutes of the meeting of the Board of Directors of the Company made a decision to establish a subsidiary company "Industrial Zone of Almaty" LLP for the purpose of operational management of the industrial zone of Alatau district of Almaty city.

On 16 August 2021, by the decision of the Board of Directors № 12, it was decided to reorganise "Industrial Zone of Almaty" LLP and to transfer part of the infrastructure of IZA to the newly established "Operator of Infrastructure of the Industrial Zone of Almaty" LLP, the authorized capital was reduced by the amount of 807,575 thousand Tenge through the transfer of property.

On 23 July 2022, by Resolution of the Company's Management Board No. 39, it was decided to expand and supplement the types of activities (GCEA) of Industrial Zone Almaty LLP, electricity transmission, electricity distribution.

Almaty Akimat Capital Construction Enterprise LLP

In accordance with the Resolution of the Almaty City Akimat No. 2/174 dated 2 May 2018, the Company received 100% participation interest in "Capital Construction Enterprise of Almaty City Akimat" LLP as payment for unissued shares. The estimated value of the share was 10,222,951 thousand tenge. The valuation of the share was made by an independent appraisal company "Independent Expert Appraisal" LLP.

By Resolution of the Almaty City Akimat No. 1/124 dated 19 February 2021, the Programme of Renovation of Housing Stock in Almaty for 2021-2025 was approved in accordance with the Resolution of the Government of the Republic of Kazakhstan No. 1054 dated December 31, 2020 "On Approval of the State Programme of Housing and Communal Development "Nurly Zher for 2020-2025" and SEC Almaty JSC was determined as the authorised organisation for the implementation of this Programme.

In May 2023, based on the decision of the Board of Directors and the decision of the sole participant, an amendment was made to the Company's Charter and a decision was made to increase the authorised capital to 75 446 366 thousand Tenge. In 2023, contributions to the authorised capital were made in cash in the amount of 16 307 962 thousand Tenge and instangible assets (property, plant and equipment and inventories) in the amount of 4 565 371 thousand Tenge. In 2022 contributions to the authorised capital were made in cash in the amount of 584 825 thousand Tenge.

Innovation Safety Centre LLP

By Resolution of the Almaty City Akimat No. 4/502 dated 19 October 2016, a 49% stake in Innovation Safety Center LLP was transferred to the LLP free of charge. The value of the transferred stake as at the date of transfer was 374 973 thousand Tenge.

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7. INVESTMENTS (continued)

In 2019, the Company created an impairment provision for its equity interest in LLP in the amount of 449 491 thousand Tenge. 21 October 2022 by Resolution of the minutes of the repeated extraordinary general meeting of participants Innovation Safety Centre LLP made a decision to reduce the charter capital of Innovation Safety Centre LLP to 308 250 thousand tenge (in calculation 308 250 thousand tenge* 49% participation interest equals 151 043 thousand tenge).

According to the comprehensive plan approved by the Resolution of the Government of the Republic of Kazakhstan dated 29 December 2020 No. 908 "On some privatisation issues for 2021-2025" Innovation Safety Centre LLP is included in the list of subsidiaries, affiliates of joint stock companies and other legal entities affiliated with it, proposed to be transferred to the competitive environment. In pursuance of the above Resolution, in December 2021, a 49% stake in the Authorised Capital of Innovation Safety Centre LLP was put up for auction.

According to the results of 2023, Innovation Safety Center LLP received a loss, in connection with which, SEC recognised a loss in the amount of 36 363 thousand Tenge (in calculation of 49% share of participation interest).

Sunkar Farm

The value of the share in Sunkar Farm in 2014 was impaired to the extent of 100% of the contribution made.

8. FINANCIAL ASSETS

thousand tenge	31.12.2023	31.12.2022
Non-current portion		
Loans issued to third parties	388,000	988,000
Loans issued to related parties	1,469,443	1,572,582
Discount	(50,890)	(100,880)
Provision for expected credit losses	(1,707,443)	(1,810,582)
Total non-current financial assets	**99,110**	**649,120**
Current part		
Loans issued to third parties	2,830,508	4,967,405
Loans issued to related parties	99,993	117,814
Provision for expected credit losses	(267,993)	(367,814)
Total current financial assets	**2,662,508**	**4,717,405**
TOTAL financial assets	**2,761,618**	**5,366,525**

Loans issued to related parties

Almaty Industrial Zone LLP

During 2015-2016, the Company entered into agreements to provide reimbursable financial assistance to a subsidiary for the implementation of the programme "Construction of an industrial zone in Alatau district of Almaty". The Company entered into agreements to provide reimbursable financial assistance to a subsidiary for the implementation of the programme "Construction of an industrial zone in Alatau district of Almaty", with a final maturity date of 2023. Indebtedness under these agreements was fully repaid.

In October 2022, according to the agreement of assignment of rights, liabilities and claims, LLP "Infrastructure Operator of the Industrial Zone of Almaty" transferred its liability to the Company in the amount of 99 993 thousand Tenge to a subsidiary of the Company. In 2022, the Company decided to create an impairment provision for the full amount of the debt.

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8. FINANCIAL ASSETS (continued)

Almaty Finance (Almaty Finance) LLP

In December 2019, the Company entered into individual repayment agreements with a subsidiary organisation with set repayment schedules. As at December 31, 2023, the nominal outstanding balance under these agreements is 1 469 443 thousand Tenge, which were fully impaired in previous periods.

The subsidiary makes a partially early repayment. Upon receipt of payment, the Company reverses the related impairment charge.

Also, there was a transfer of debt on financial aid, LLP "PCC of Almaty Akimat" according to the Agreement on change of persons in the obligation №32 from 30.04.2021 in the amount of 49,120 thousand tenge, with a repayment schedule until 31. 12. 2023, which the subsidiary organisation repaid in due time.

Loans issued to third parties

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

As at the date of issuance of the separate financial statements, loans receivable from third parties in the amount of 2 662 508 thousand Tenge were repaid by 2 662 508 thousand Tenge.

The movements in financial assets were as follows

thousand tenge	2023	2022
Nominal value and discount		
As of 1 January	7,544,921	9,826,201
Provision of principal	5,866,866	9,671,289
Repayment of principal	(8,724,722)	(12,126,314)
Taxes and payments	(57)	(76)
Interest accrued	366	1,769
Interest received	(311)	(3,720)
Discount	-	(50,890)
Amortisation of discount	49,991	226,662
As at December 31	**4,737,054**	**7,544,921**

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

thousand tenge	2023	2022
As of 1 January	(2,178,396)	(126,944)
Accrued	(42,737)	(2,051,452)
Recovered	245,697	-
As of December 31.	**(1,975,436)**	**(2,178,396)**

9. RECEIVABLES

thousand tenge	31.12.2023	31.12.2022
Non-current trade accounts receivable	70,919,978	15,956,687
Valuation allowance for impairment losses on non-current assets		
Receivables	(6,907,692)	(9,343,822)
Discount	(20,509,548)	(50,875)
	43,502,738	**6,561,990**

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

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9. RECEIVABLES (continued)

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 investments in the amount of 5 260 000 thousand Tenge were provided on the terms of 14% investment income with a term till 12 June 2024 from the attracted ruble loan of Sovcombank PJSC. The Company recognised a provision for impairment losses for the full amount.

In 2021, the Company entered into an investment agreement with Star Land LLP to implement the construction project of the multifunctional residential complex "Altyn City" and provided investments in the amount of 2 000 000 thousand Tenge with an interest rate of investment income of 12% for the period until 18 July 2022.

In 2021, the Company entered into an investment agreement with Domus Qazaqstan LLP for implementation of 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 Company decided to create a provision for impairment taking into account the pledged property. In 2023 Domus Qazaqstan LLP fully repaid the debt including investment income under this agreement.

In 2022, the Company entered into an investment agreement with RBest Home LLP and provided investments in the amount of 1 200 000 thousand Tenge with an investment income 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 Company 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 concluded with Ask Prestige LLP, Sensata Construction LLP and KazSpecEnergoService 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 Company transferred land plots and the counterparties ensure the implementation of the project.

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.

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	95,365	64,326
Current receivables from associates	-	223,930
Real estate lease arrears	26,706	25,781
Debt on lease of land plots	14,834	13,313
Current interest receivable	1,359	4,733
Claims receivable	224,455	28,732
Other current receivables	-	80,021
Allowance for doubtful claims	(172,674)	(172,674)
	190,045	**268,162**

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

thousand tenge	**2023**	**2022**
At the beginning of	(9,516,496)	(151,160)
Accrual/(Recovery)	2,436,130	(8,823,378)
Write-off	-	(541,958)
At the end of	**(7,080,366)**	**(9,516,496)**

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10. OTHER NON-CURRENT ASSETS

thousand tenge	31.12.2023	31.12.2022
Construction in progress	2,922,935	2,914,819
Other non-current project assets	2,925,949	3,074,804
Right of claim under contracts	-	4,588,909
Allowance for impairment	(2,925,949)	(3,074,804)
	2,922,935	**7,503,728**

Construction in progress by object is presented as follows:

thousand tenge	31.12.2023	31.12.2022
Communal bus fleet No. 3	2,658,844	2,658,844
STC Almaty	264,091	255,975
	2,922,935	**2,914,819**

The movements in the allowance for impairment of other non-current assets were as follows:

thousand tenge	2023	2022
As of 1 January	(3,074,804)	(423,276)
Accrual	-	(2,651,528)
Write-off	148,855	-
As at December 31	**(2,925,949)**	**(3,074,804)**

11. INVENTORIES

thousand tenge	31.12.2023	31.12.2022
Raw materials and supplies	16,667	3,889
Goods	761,488	2,112,378
	778,155	**2,116,267**

Goods within inventories are presented as follows:

thousand tenge	31.12.2023	31.12.2022
Non-residential premises	757,069	868,904
Stabilisation fund (polished rice)	4,419	-
Flats and houses	-	1,103,284
Design and estimate documentation	-	140,190
	761,488	**2,112,378**

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	1,053,612	47,586
Current tax assets	357,864	541,978
Other	291	1,087
Minus: reserve	(47,411)	(47,411)
	1,364,356	**543,240**

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13. REPO ACTIVITIES

As at 31 December 2023, there were outstanding reverse repurchase agreements between the Company and BCC INVEST - Subsidiary of JSC BANKCENTRECORDIT in the amount of 11,728,105 thousand Tenge. 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 amount 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	2,675	571,030
Cash in bank accounts in euros	-	101,586
Cash on deposit accounts	1,808,624	10,587,301
Cash in treasury accounts	48,796,937	65,104,899
Provision for expected credit losses	(5,723)	(50,563)
	50,602,513	**76,314,253**
Restricted cash balances	1,628,199	1,633,518
Impairment of restricted cash balances	(1,628,199)	(1,633,518)
	-	-
	50,602,513	**76,314,253**

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

In accordance with the Resolution of the National Bank of the Republic of Kazakhstan No. 291 dated 26 December 2016, a decision was made to revoke the licence of KazInvestBank JSC to conduct banking and other operations and activities on the securities market. The Company'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 between SB Alfa-Bank JSC and the Company entered into an agreement on pledge of cash classified by the Company 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 Company has accrued a full allowance for expected credit losses on the amount of deposit with this bank.

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

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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 at December 31	**193,351,569**	**-**	**193,351,569**

Dividends

In accordance with Kazakhstan legislation, the Company's distributable reserves cannot exceed the Company's retained earnings as shown in its separate financial statements prepared in accordance with IFRS or income for the period in the case of a loss carryforward. No distribution may be made if it would result in a capital deficit or insolvency of the Company. 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.

16. LOANS RECEIVED

thousand tenge	Maturity dates	Interest rate	Currency	31.12.2023	31.12.2022
Loans to related parties	2024-2026	0.01%	Tenge	11,949,520	9,849,837
Loans to third parties	2024	8%	Russian rouble	-	11,574,000
				11,949,520	**21,423,837**
Current portion				4,240,207	-
Non-current portion				7,709,313	21,423,837
				11,949,520	**21,423,837**

Loans to related parties

During the years 2019-2022. The Company received concessional loans from the parent company to contain the prices of socially important food products, which were accounted for at amortised cost. The loans are unsecured, Tenge denominated, with an interest rate of 0.01% per annum, maturing between 2024 and 2026.

Borrowings were discounted to their net present value, which reflects the fair value of the debt representing the present value of the expected cash flows, and amounted to 12.4%-19.2% Amortisation of the discount and changes in estimates were recorded in the income statement as finance income (expense).

Loans to third parties

In June 2021, the Company entered into a loan agreement with an interest rate of 8% per annum, maturing on 18 June 2024 with Sovcombank PJSC in the amount of 1,800,000 thousand Russian roubles (10,404,000 thousand Tenge) to finance current operations. In July 2023, the Company made a full early repayment of the loan to the lender.

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16. LOANS RECEIVABLE (continued)

The movements in loans receivable were as follows:

Nominal value	**2023**	**2022**
As of 1 January	26,574,000	21,386,000
Loans received	-	4,000,000
Repayment of loans received	(8,820,000)	-
Interest accrued	463,681	965,478
Interest paid	(463,681)	(965,478)
Exchange rate difference	(2,754,003)	1,188,000
As of December 31.	**14,999,997**	**26,574,000**
Discount		-
As of 1 January	(5,150,163)	(2,662,854)
Recognition of discount	-	(3,120,011)
Change in assessments	400,584	-
Amortisation of discount	1,699,102	632,702
As of December 31.	**(3,050,477)**	**(5,150,163)**
Carrying amount		
Current portion	4,240,207	-
Non-current portion	7,709,313	21,423,837
As of December 31.	**11,949,520**	**21,423,837**

17. TRADE AND OTHER PAYABLES

thousand tenge	**31.12.2023**	**31.12.2022**
Trade payables	55,508	13,825
Trade payables to subsidiaries	45,977,355	67,269,651
Wage arrears	33	76
Other accounts payable	102,588	35,964
	46,135,484	**67,319,516**

18. LIABILITIES UNDER CUSTOMER CONTRACTS

thousand tenge	**31.12.2023**	**31.12.2022**
Advances received	69,387	69
Current contractual commitments	29,743	168,537
	99,130	**168,606**

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

thousand tenge	**2023**	**2022**
Flats and parking spaces	3,322,569	2,114,926
Income from sale of food products	214,178	-
Donation of flats	140,190	269,766
Total revenue from contracts with customers	**3,676,937**	**2,384,692**
Income from lease of investment property	196,229	115,783
Total revenue	**3,873,166**	**2,500,475**

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

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20. COST OF SALES

thousand tenge	2023	2022
Cost of flats	1,078,308	527,510
Realisation of food products	214,178	-
Cost of non-residential premises	166,376	866,757
Cost of car parks	110,626	-
	1,569,488	**1,394,267**

21. ADMINISTRATIVE EXPENSES

thousand tenge	2023	2022
Payroll expenses	1,009,688	866,565
Taxes and payments to the budget	144,577	303,762
Social tax and social contributions	96,954	86,033
Depreciation and amortisation	78,033	88,868
Audit and evaluation expenses	69,286	22,380
Other	62,450	59,101
Expenses for the realisation of the fair	56,309	-
VAT not recognised for credit	63,330	11,733
Counselling services	33,144	10,370
Personnel services	30,151	-
Bank services	23,029	1,889
Insurance expenses	20,905	114
Repairs and maintenance of property, plant and equipment	20,536	7,978
Expenses on repurchase transactions	13,724	-
Travel expenses	10,228	2,757
Security services	6,781	17,176
Materials	2,772	5,459
Lease expenses	2,640	15,790
Communication services	422	4,794
Utility costs	93	7,416
Sponsorship and charity	-	382,271
	1,745,052	**1,894,456**

22. FINANCIAL INCOME, EXPENSES, NET

thousand tenge	2023	2022
Finance income		
Income from repurchase transactions	1,810,309	62,391
Income from investing activities	1,140,521	2,245,229
Fees on deposits	740,227	969,701
Amortisation of discount on instalment contracts	5,157,381	2,662
Amortisation of discount on loans issued	49,993	231,454
Interest on loans	519	18,648
Discount on loans received	(400,584)	3,120,011
	8,498,366	**6,650,096**
Finance costs		
Discount on instalment contracts	(25,616,053)	-
Amortisation of discount on loans received	(1,699,102)	(632,702)
Interest expense on loans and borrowings	(463,681)	(965,477)
Discount on loans issued	-	(50,889)
	(27,778,836)	**(1,649,068)**
Total financial / (expenses) income	**(19,280,470)**	**5,001,028**

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23. 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	1,423,627	(413,134)	1,010,493
Rights to use land plots	166,921	(58,162)	108,759
Buildings	247,429	(42,050)	205,379
Other assets	8,098,315	(8,210,794)	(112,479)
	100,693,824	**(68,455,052)**	**32,238,772**
2022			
Land plots	21,317	(23,875)	(2,558)
Rights to use land plots	95,342	(139,661)	(44,319)
Share of participation	5,288	(200)	5,088
Buildings	157,153	(223,247)	(66,094)
Other assets	1,645,083	(1,510,882)	134,201
Total proceeds from sale of property, net	**1,924,183**	**(1,897,865)**	**26,318**

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

thousand tenge	2023	2022
Recovery (creation) of provision for impairment of receivables	2,959,968	(10,968,697)
Reversal of allowance for impairment of loans issued	202,960	13,871
Reversal of allowance for cash impairment losses	44,840	84,579
Reversal of provision for impairment of investments	36,364	234,849
Provision for impairment of other non-current assets	-	(2,651,528)
(Creation) reversal of provision for impairment of investment property	(45,600)	61,096
Provision for impairment of receivables	(568,136)	7,117
	2,630,396	**(13,218,713)**

25. INCOME TAX EXPENSE

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

thousand tenge	2023	2022
Current income tax expense	7,760,490	251,583
Deferred income tax benefit	(378,930)	113,611
	7,381,560	**365,194**

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 Company's statement of profit or loss for the year ended December 31, 2023 and 2022 is as follows:

thousand tenge	2023	2022
Income before income tax	**18,825,245**	**(9,971,378)**
Tax at the statutory rate of 20%	3,765,049	(1,994,276)
Tax effect of temporary and other permanent differences	(485,399)	2,359,470
Unrecognised tax assets	4,101,910	-
Income tax expense	**7,381,560**	**365,194**
Effective tax rate	39%	-4%

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25. INCOME TAX EXPENSE (continued)

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	10,986	(24,751)	(13,765)
Taxes payable	1,549	(236)	1,313
Provision for leave	5,915	12,230	18,145
Other provisions	(456,577)	1,001,782	545,205
Discount on loans received and its amortisation	-	(610,095)	(610,095)
Total deferred tax liabilities	**(438,127)**	**378,930**	**(59,197)**

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

26. 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.

Transactions and balances with related parties

thousand tenge	Parent company	Subsidiaries	Associated companies
2023			
Investments	-	110,964,179	-
Trade and other payables	-	(45,977,355)	-
Loans issued	-	1,569,436	-
Loans received	15,000,000	-	-
Realisation to related parties	1,307,015	12,932,927	-
Share of loss of associates	-	-	(36,363)
2022			
Investments	-	92,296,592	-
Trade and other payables	-	(67,269,651)	-
Loans issued	-	1,690,396	-
Loans received	26,574,002	-	-
Realisation to related parties	105,642	34,931	-
Acquisitions from related parties	-	(34,531)	-
Share of loss of associates	-	-	(10,919)

Movements in loans given and received are disclosed in the respective line items of the separate financial statements.

Transactions with key management personnel

Total remuneration to key management personnel included in administrative expenses (Note 21) amounts to 191 130 thousand Tenge (2022: 111 496 thousand Tenge).

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27. CONTRACTUAL COMMITMENTS AND CONTINGENCIES

Legal actions

The Company 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 Company does not believe that such litigation, pending or threatened claims, individually or in the aggregate, could have any material adverse effect on its financial condition or results of operations.

The Company assesses the likelihood that a material liability will arise and recognises a corresponding 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 Company's tax position will be sustained.

Environmental issues

The Company is subject to various environmental laws and regulations. Kazakhstani environmental legislation is constantly changing and is subject to varying interpretations. While management believes that the Company is in compliance with governmental environmental regulations, there can be no assurance that contingent liabilities will not occur.

Terms and conditions of business

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstani economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

As at December 31, 2023, the National Bank of Kazakhstan decided to reduce the base rate to 15.75% per annum with an interest rate corridor of +/- 1 percentage point. During 2024, the NBK decided to reduce the base rate to 14.75% p.a. with an interest rate corridor of +/- 1 percentage point.

External inflationary developments continue to unfold favourably against the backdrop of declining global food prices and restraining central bank policies. In the domestic economy, inflationary pressures persist due to sustained domestic demand supported by fiscal stimulus, as well as inflated and volatile inflation expectations.

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27. CONTRACTUAL COMMITMENTS AND CONTINGENCIES (continued)

The Company continues to evaluate the effect of these events on its operations, financial position and financial conditions.

The Company's management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

28. FINANCIAL RISK MANAGEMENT

In connection with its operations, the Company is exposed to various financial risks associated with its financial instruments. The Company's principal financial instruments comprise: loans to customers, trade and other receivables, cash and cash equivalents, loans and borrowings issued, trade and other payables. The main risks arising from financial instruments are liquidity risk, credit risk and currency risk.

The Company's financial instruments are presented as follows:

thousand tenge	**31.12.2023**	**31.12.2022**
Financial Assets:		
Non-current financial assets	99,110	649,120
Non-current receivables	43,502,738	6,561,990
Trade and other receivables	190,045	268,162
Current financial assets	2,662,508	4,717,405
Repurchase asset	11,728,105	-
Cash and cash equivalents	50,602,513	76,314,253
	108,785,019	**88,510,930**
Financial Liabilities:		
Non-current loans received	7,709,313	21,423,837
Current loans received	4,240,207	-
Trade and other payables	46,135,484	67,319,516
	58,085,004	**88,743,353**

Credit risk

The Company 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 Company's lending and other transactions with counterparties giving rise to financial assets. Financial assets potentially exposing the Company to credit risk consist principally of cash and cash equivalents, deposits, trade receivables from related parties.

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

thousand tenge	**31.12.2023**	**31.12.2022**
Non-current financial assets	99,110	649,120
Non-current receivables	43,502,738	6,561,990
Trade and other receivables	190,045	268,162
Current financial assets	2,662,508	4,717,405
Repurchase asset	11,728,105	-
Cash and cash equivalents	50,602,513	76,314,253
	108,785,019	**88,510,930**

The Company establishes a valuation allowance for expected credit losses.

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28. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to settle liabilities 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 Company regularly monitors its liquidity needs and management ensures that sufficient funds are available to honour any commitments made.

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	55,508	45,977,355	-	46,032,863
Loans received	2,000,375	4,001,125	9,001,025	15,002,525
	2,055,883	**49,978,480**	**9,001,025**	**61,035,388**
December 31, 2022.				
Trade and other payables	20,290	67,269,651	-	67,289,941
Loans received	-	-	20,158,433	20,158,433
	20,290	**67,269,651**	**20,158,433**	**87,448,374**

Interest rate risk

The Company does not have any variable rate borrowings at the reporting dates. The Company does not account for any fixed rate financial instruments in the same way as it accounts 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 Company's exposure to foreign currency exchange rate risk relates to the Company's operating activities. As at December 31, 2023, the Company 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 Company's financial assets and liabilities approximates their carrying amounts.

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29. EVENTS AFTER REPORTING DATE

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

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

30. APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

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