# Private Company BCS Global Markets Qazaqstan Limited

# Financial Statements
# for the 30 June 2024
# (Unaudited)

**Contents**

**Financial Statements of Private Company BCS Global Markets Qazaqstan Limited**

**Statement of Financial Position**
**as at 30 June 2024 (unaudited)**
*(all amounts are presented in KZT`000)*

| | Note | 30-Jun-24 | 31 December 2023 |
|---|---|---|---|
| **Current assets** | | | |
| Loans | 5 | | 15,643,470 |
| Financial assets at fair value through profit or loss | 6 | | 2,644,558 |
| Other receivables | | 1,545 | 1,545 |
| Advances paid and other current assets | | 6,110 | 385 |
| Cash | 7 | 973,601 | 312,575 |
| **Total current assets** | | **981,256** | **18,602,533** |
| **TOTAL ASSETS** | | **981,256** | **18,602,533** |
| **LIABILITIES AND EQUITY** | | | |
| **Equity** | | | |
| Share capital | 8 | 365,016 | 365,016 |
| Retained earnings | | 128,939 | 128,939 |
| Current year PL | | 343,469 | |
| **Total equity** | | **837,424** | **493,955** |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | 4,955 | 4,014 |
| **Total non-current liabilities** | | **4,955** | **4,014** |
| **Current liabilities** | | | |
| Trade and other payables | | 4,469 | 2,874 |
| Income tax payable | | 866 | 29,784 |
| Borrowings | 9 | 133,542 | 18,071,906 |
| **Total current liabilities** | | **138,877** | **18,104,564** |
| **TOTAL LIABILITIES AND EQUITY** | | **981,256** | **18,602,533** |

These financial statement of the Company for the period ended 30 June 2024 is unaudited.

Konstantin Pavlov
Director

**Statement of Profit or Loss and other Comprehensive Income for the 30 June 2024 (unaudited)**
*(all amounts are presented in KZT`000)*

| | Note | 30-Jun-24 | 31 December 2023 |
|---|---|---|---|
| Financial income/expense | | 271,720 | 37,137 |
| Net gains on financial assets at fair value through profit or loss | | 100,283 | 256,933 |
| Brokerage fees and commissions | | (42,404) | - |
| **Operating income** | | **329,599** | **294,070** |
| Legal services | | (10,690) | (44,649) |
| Financial expenses | | (101,815) | (36,773) |
| Professional services | | (9,064) | (6,427) |
| Forex exchange | | 182,828 | (1,245) |
| Remunerations for members of the board | | - | (3,655) |
| Employee benefits expense | | (558) | (920) |
| Other expenses | | (3,099) | (16,210) |
| Other tax expenses | | (43,732) | - |
| **Total expenses** | | **13,870** | **(109,879)** |
| **Net income/(loss) before income tax** | | **343,469** | **184,191** |
| Income tax expenses/(income) | | - | (38,089) |
| **Net income** | | **343,469** | **146,102** |
| Other comprehensive income/(loss) | | | - |
| **Total comprehensive income/(loss)** | | **343,469** | **146,102** |

These financial statement of the Company for the period ended 30 June 2024 is unaudited.

Konstantin Pavlov
Director

**Statement of Cash Flows**
**for the 30 June 2024 (unaudited)**
*(all amounts are presented in KZT`000)*

| | Note | 30-Jun-24 | 2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Net income/loss before income tax | | 343,469 | 184,191 |
| **Adjustments for reconciliation of pre-tax profit with net cash flows:** | | | |
| Financial income | | | (37,137) |
| Net gains on financial assets at fair value through profit or loss | | 256,933 | (256,933) |
| Financial expenses | | 101,815 | 36,773 |
| Forex exchange | | | 1,245 |
| | | **702,217** | **(71,861)** |
| **Changes in working capital:** | | | |
| Change in other receivables | | - | (1,545) |
| Change in advances paid and other current assets | | (5,725) | 4,769 |
| Change in trade and other payables | | 2,536 | (2,722) |
| **Net cash flows used in operating activities** | | **699,028** | **(71,359)** |
| **Investing activities** | | | |
| Financial assets at fair value through profit or loss | | 2,370,278 | (2,387,625) |
| Financial income | | - | |
| **Net cash flows used in investing activities** | | **2,370,278** | **(2,387,625)** |
| **Financing activities** | | | |
| Proceeds from capital contributions | | - | - |
| Proceeds from borrowings | | (2,379,362) | 2,433,600 |
| **Net cash flows from financing activities** | | **(2,379,362)** | **2,433,600** |
| **Net (decrease) increase in cash** | | **689,944** | **(25,384)** |
| The effect of exchange rate changes on cash balances in foreign currency | | | (6,126) |
| Income tax paid | | (28,918) | |
| Cash at 1 January | | **312,575** | **344,085** |
| **Cash at 31 December** | | **973,601** | **312,575** |

These financial statement of the Company for the period ended 30 June 2024 is unaudited.

Konstantin Pavlov
Director

**Statement of Changes in Equity**
**for the 30 June 2024 (unaudited)**
*(all amounts are presented in KZT`000)*

| | Share capital | Retained earnings | Total equity |
|---|---|---|---|
| **As at the date of establishment** | **-** | **-** | **-** |
| Issue of share capital | 365,016 | - | 365,016 |
| Total comprehensive income | - | (17,163) | (17,163) |
| **As at 31 December 2022 (unaudited)** | **365,016** | **(17,163)** | **347,853** |
| Issue of share capital | 365,016 | - | 365,016 |
| Total comprehensive income | - | 146,102 | 146,102 |
| **As at 31 December 2023** | **365,016** | **128,939** | **493,955** |
| Total comprehensive income | - | 343,469 | 343,469 |
| **As at 30 June 2024 (unaudited)** | **365,016** | **472,408** | **837,424** |

These financial statement of the Company for the period ended 30 June 2024 is unaudited.

Konstantin Pavlov
Director

## 1 General Information

BCS Global Markets Qazaqstan Limited (hereinafter the "Company") was registered on 18 October 2022 as a Private Company of the Astana International Financial Centre (AIFC) under the identification number 221040900440 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC.

The sole shareholder of the Company is FG BCS Ltd. FG BCS Ltd is registered in Cyprus, Limassol, Agios Athanasios, 4103. The ultimate controlling party is the individual Oleg Mikhasenko, a resident of Russia.

The address of the Company: Kazakhstan, Astana city, Yesil district,16 Dostyk street, office 2.

The Company's principal business activities: issue of structured products and pre-IPO notes to be listed on the AIX; securities trading (i.e. hedging transactions); derivative transactions.

The financial statements of the Company for the period ended 30 June 2024 are unaudited.

## 2 Basis of preparation

### (a) Statement of Compliance with IFRS

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

### (b) Basis of measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value and except financial instruments that have been measured at fair value.

### (c) Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which is also the presentation currency for the purposes of these financial statements. All financial statements have been rounded to the nearest thousand tenge, unless otherwise stated.

#### Foreign currency transactions

Transactions in foreign currencies are initially translated into the functional currency using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate using exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of comprehensive income.

Non-monetary items that are valued on the basis of historical value in a foreign currency are recalculated at the rates in effect on the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated at the exchange rates in effect at the date when the fair value was determined.

*(all amounts are presented in KZT`000)*

*Exchange Rates*

Weighted average exchange rates established on the Kazakhstan Stock Exchange ("KASE") are used as official exchange rates in the Republic of Kazakhstan. The following exchange rates have been used in the preparation of these financial statements:

| | 30-Jun-24 | 31-Dec-23 |
|---|---|---|
| KZT per 1 USD | 471.46 | 454.56 |
| KZT per 1 RUB | 5.53 | 5.06 |

## (d) Going Concern

The Company's management assumes that the Company will continue to operate in accordance with the principle of going concern and in making this assessment, management has taken into account the current intentions and financial position of the Company.

## (e) New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### *IFRS 17 Insurance Contracts*

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts; IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Company's financial statements.

### *Definition of Accounting Estimates - Amendments to IAS 8*

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

***Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2***

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

***Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12***

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, 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 had no impact on the Company's financial statements.

***International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12***

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/year.

**(f) New standards and interpretations not yet adopted**

The following are new standards, amendments and interpretations that have been issued, but have not yet entered into force on the date of issue of the Company's financial statements. The Company intends to apply these standards, amendments and interpretations, if applicable, from the date of their entry into force.

***Amendments to IFRS 16: Lease Liability in a Sale and Leaseback***

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

***Amendments to IAS 1: Classification of Liabilities as Current or Non-current***

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

***Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7***

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

### (g) Fair value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

## 3 Summary of Significant Accounting Policies

### (a) Financial instruments - initial recognition and subsequent measurement

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

**Financial assets**

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset 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 under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at fair value through profit or loss

*Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes, loans, other receivables and cash and equivalents.

*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 with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

*Financial assets designated at fair value through other comprehensive income (equity instruments)*

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets (equity instruments) measured at fair value through other comprehensive income.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. 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. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

At the reporting date, the Company has financial assets measured at fair value through profit or loss.

*Derecognition*

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

- The rights to receive cash flows from the asset have expired; or

- 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; and either (a) 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 evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of 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 that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

*Impairment of financial assets*

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables and loans received.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below.

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated 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 repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. 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, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if 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.

### (b) Cash and cash equivalents

Cash and cash equivalents reported in the statement of financial position include cash on current bank accounts and on brokerage accounts.

### (c) Labour costs

Wages and salaries, pension contributions, social insurance contributions, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued as the related work is performed by the employees of the Company. In accordance with the requirements of the legislation of the Republic of Kazakhstan, the Company withholds such pension and severance benefits on behalf of its employees. When employees retire, the Company's financial obligations cease, and all payments are made by the unified state accumulative pension fund.

### (d) Income and expense recognition

***Effective interest rate***

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

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

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

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

***Calculation of interest income and expense***

The effective interest rate of a financial asset or financial liability is calculated on the initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Fee and commission which relate to issue of a loan and are an inherent component of an effective interest rate, taking into account direct transaction costs, are stated as a discount on loans issued by the Bank. Within the effective period of a contract, the discount amount is amortized and stated as the Bank's income, using an effective interest rate. Fee and commission income related to provision of other services stipulated in a concluded contract and received as the services are provided can be stated simultaneously in "fee and commission receivable from a borrower" line item, unless otherwise provided for by the contract, and are recognized in "income" line items as the relevant services are provided.

### (e) Income Tax

Income tax expense includes current income tax payable and deferred income tax.

*Current Tax*

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

*Deferred Tax*

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.

### (f) Share capital

Assets included in the share capital are recognised at fair value when contributed. Any excess of the fair value of assets contributed over the nominal value of contribution to the charter capital at registration is charged directly to equity as paid-in capital.

**(g) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Company as a lessee*

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments, discounted by using the incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect unwinding of discount on the lease liability and by reducing the carrying amount to reflect the lease payments made. Also, the Company remeasures the lease liability to reflect a lease contract modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

*Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term lease of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## 4 Significant Accounting Judgments, Estimates and Assumptions

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company's assumptions and estimates were based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Taxation*

In assessing tax risks, Management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

*Deferred tax asset*

Deferred tax assets are recognized for all unused tax losses to the extent that there is a significant probability that taxable profit will be received against which unused tax losses can be offset. Significant management judgment is required to determine the amount of deferred tax assets of receipt that can be recognized in the financial statements based on the probable timing and amount of future taxable profit, as well as future tax planning strategies. As at 31 December 2023, the value of recognized net deferred tax liabilities amounted to KZT'000 4,014 (31 December 2022: net deferred assets amounted to KZT'000 4,291). More detailed information is provided in *Note 10.*

## 5 Loans

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Loan given | - | 15,606,333 |
| Loan issuance fee | - | 18,930 |
| Interest accrued | - | 18,207 |
| **Total loans** | **-** | **15,643,470** |

The loan from SPRKGROUP TRADING LIMITED was fully repaid as at 15 March 2024. There are not any outstanding amounts related to the loan.

## 6 Financial assets at fair value through profit or loss

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Ordinary shares | - | 2,644,558 |
| Quantity | - | 5,560,000 |
| Fair value | - | 476 |
| **Total financial assets at fair value through profit or loss** | **-** | **2,644,558** |

Movement in the financial assets at fair value through profit or loss was as follows:

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| **As at 1 January** | **2,644,558** | - |
| Purchase of securities | - | 2,387,625 |
| Sales of securities | (2,744,163) | - |
| Realized income | 356,538 | |
| Change in fair value | (256,933) | 256,933 |
| **As at 30 June** | **-** | **2,644,558** |

The ordinary shares of Renaissance Insurance Group JSC listed sold in parts in March and April 2024.

## 7 Cash

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Cash on bank accounts | 597,534 | 271,503 |
| Cash on brokerage accounts | 376,067 | 41,072 |
| **Total cash** | **973,601** | **312,575** |

The Company's management did not recognize the expected credit losses due to the immateriality of the amount.

## 8 Share capital

| Shareholder | Price of shares, USD | Number of declared shares | Number of paid shares | Amount, USD | Amount, KZT`000 |
|---|---|---|---|---|---|
| As at 31 December 2023 and 2022 | | | | | |
| FG BCS Ltd | 1 | 800,000 | 800,000 | 800,000 | 365,016 |

*Dividends*

No dividends were declared in 2024, 2023 and 2022.

## 9 Borrowings

The movement of borrowings is presented as follows:

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| **As at 1 January** | **18,071,906** | - |
| Proceeds from borrowings | (2,300,916) | 2,433,600 |
| Interest accrued | (109,315) | 36,773 |
| Forex exchange | 132,684 | (110,202) |
| Increse due to non-cash transactions | (15,660,817) | 15,711,735 |
| **As at 30 June** | **133,542** | **18,071,906** |

The Company's liability to Renaissance Insurance Group JSC and Renaissance Life Insurance Company Limited arose as a result of the agreement "Novation of loan" (Note 5) was fully repaid on 15 March 2024. The Company's liability to FG BCS group was repaid in principle on 19 April 2024. The amount of KZT 133,542 represents the interest accrued as at loan maturity date 19 April 2024 and will be paid by the end of the year 2024.

## 10 Commitments and Contingencies

### (a) Notes Issued

As at 29 March 2024 the Company as an Issue has established the USD 150,000,000 Medium Term Note Programme. As at 6 May 2024 and in accordance with the Programme the Company has issued 10,000 notes with the nominal value USD 1,000 per note. Notes officially registered on AIX (Astana International Exchange) with ISIN KZX000002217, notes are non-interest with maturity date 06/05/2029. The Company recognized notes on Off-Balance sheet in the amount of issuance.

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Notes Issued | | |
| Quantity | 10,000 | - |
| Nominal value (USD) | 10,000,000 | - |
| Nominal value (KZT equivalent) | 4,416,600,000 | - |

### (b) Political and Economic Conditions

Economic reforms and the development of legal, tax and administrative infrastructure that would meet the requirements of a market economy are continuing in the Republic of Kazakhstan. The stability of Kazakhstan's economy will largely depend on the progress of these reforms, as well as on the effectiveness of the Government's economic, financial and monetary policy measures.

The management of the Company monitors current changes in the economic situation and takes measures that it considers necessary to maintain the stability and development of the Company's business in the near future.

### (c) Taxation

The Company is subject to taxation under the Kazakhstan Tax Code and the Constitutional law on AIFC.

Kazakhstan tax laws and practices are continuously modified and consequently are subject to various interpretations and frequent changes which may have retrospective effect. Besides, interpretation of tax laws by tax authorities with respect to the Company transactions and business may differ from the Management's interpretation. Consequently, the Company transactions may be challenged by tax authorities, and the Company may be charged with additional taxes, fines and penalties. Tax periods are open for retrospective inspection by Kazakhstan tax authorities during five years.

Although there is a risk that Kazakhstan tax authorities may challenge the policies applied, the Company Management believes that its position will be successfully supported in case of any dispute.

### (d) Legal Processes and Actions

In the normal course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

### (e) Current political climate

The outbreak of hostilities in Ukraine has further increased the level of economic uncertainty in Kazakhstan. The sanctions of the European Union and the United States against Russia also have a certain effect. The Company's management assessed these events and concluded no impact on the Company's activities.