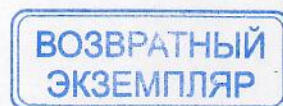


**Microfinance organization Auto Zhana Credit
Limited Liability Partnership**

**Financial statement
for the year ended 31 December 2024**



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Statement of Management's Responsibility for the Preparation and Approval of the Financial Statements for the Year Ended 31 December 2024

The following statement, which should be considered in conjunction with the description of the responsibilities of the auditors contained in the report of independent auditors, is made with the aim of distinguishing the responsibilities of auditors in relation to the financial statements of Microfinance organization Auto Zhana Credit LLP (hereinafter the Company).

The Management of the Company is responsible for preparing the financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2024 as well as its financial performance, cash flows and changes in equity for the year then ended, in accordance with the International Financial Reporting Standards (IFRS).

In preparing the financial statements, the Management is responsible for:

- selection of relevant accounting principles and their consistent application;
- application of reasonable evaluations and calculations;
- compliance with IFRS requirements, or disclosure of all material deviations from IFRS in the notes to the financial statements; and
- preparation of financial statements based on the assumption that the Company will continue to operate in the foreseeable future, except in cases where such assumption is not lawful.

The Management is also responsible for:

- development, implementation and support of operation of effective and reliable system of internal control in the Company;
- maintaining the accounting system that allows, at any time, to prepare information on the financial position of the Company with sufficient accuracy and ensure that the financial statements comply with the requirements of IFRS;
- maintaining accounting records in accordance with the legislation of the Republic of Kazakhstan;
- taking actions within its competence to protect the Company's assets;
- identification and prevention of fraud and other abuses.

The Company's Management approved these financial statements for the year ended 31 December 2024 on April 25, 2025, and on its behalf it was signed:

Kairmagambetov B.M.

Director



Suleimenova A.V.

Financial Director

Kerimbekov A.A.

Chief accountant

INDEPENDENT AUDITOR'S REPORT

The Participants and Management of Microfinance organization Auto Zhana Credit LLP

Opinion

We have audited the financial statements of Microfinance organization Auto Zhana Credit LLP (the Company), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those responsible for corporate governance are responsible for overseeing the preparation of the Company's financial statements.

Auditors' responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Make a conclusion with respect to the appropriateness of application of ongoing concern assumption, and based on the audit evidence obtained we make a conclusion whether there is substantial uncertainty due to certain events or conditions that can result in significant doubts about the Company's ability to continue as a going concern. If we come to a conclusion that significant uncertainty exists, in the audit opinion we should draw attention to the relevant disclosure in the financial statements or, if such disclosure is inadequate, we should modify our opinion. Our conclusions are based on the audit evidence obtained before the date of our audit opinion. However, future events or conditions can result in the loss of the Company's ability to continue as a going concern.
- Evaluate the overall presentation of the financial statements, its structure and content, including disclosures, we also evaluate whether the financial statements present the underlying transactions and events so as to ensure their fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Musagul A.
Auditor



Musagul A

Director Crowe Audit Tan LLP



Auditor Qualification Certificate No. 000393 issued by the Qualification Commission for Certification of Auditors of the Republic of Kazakhstan on April 25, 1998

State License to carry out audit activities in the Republic of Kazakhstan No. 21018872 issued by the Ministry of Finances of the Republic of Kazakhstan on May 22, 2021

Almaty, Kazakhstan
Al-Farabi 13, block IV, office №403

April 25, 2025

Microfinance organization Auto Zhana Credit LLP
Statement of financial position as at 31 December 2024
all amounts are presented in KZT thousands


ASSETS	Notes	2024	2023
Cash	5	111,486	25,659
Loans to clients	6	6,467,975	5,901,707
Advances paid and other current assets	7	38,831	24,576
Property, plant and equipment	8	54,274	50,036
Intangible assets		1,998	-
Deferred tax assets	16	5,125	2,547
Right-of-use assets	9	288,712	200,138
		6,968,401	6,204,663
LIABILITIES			
Loans from related parties	10	3,445,888	3,706,673
Other liabilities	11	99,963	706,604
Lease liabilities	9	314,078	219,580
Corporate income tax payable		385,032	227,199
		4,244,961	4,860,056
EQUITY			
Equity			
Charter capital	12	200,000	200,000
Retained earnings		2,523,440	1,144,607
		2,723,440	1,344,607
TOTAL EQUITY AND LIABILITIES		6,968,401	6,204,663

The Company's Management approved these financial statements for the year ended 31 December 2024 on April 25, 2025, and on its behalf it was signed:


Kairmagambetov B.M.
 Director




Suleimenova A.V.
 Financial Director


Kerimbekov A.A.
 Chief accountant

The statement of financial position should be read in conjunction with the notes on pages 11 -34 an integral part of the financial statements.

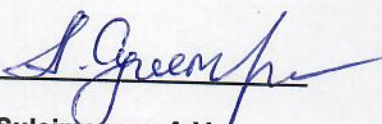
Microfinance organization Auto Zhana Credit LLP
Statement of profit or loss and other comprehensive income
for the year ended 31 December 2024
all amounts are presented in KZT thousands


	Notes	2024	2023
Interest income		3,339,908	2,196,705
Interest expenses		(78,674)	(32,522)
Net interest income		3,261,234	2,164,183
Administrative expenses	13	(1,136,470)	(714,335)
Loss of impairment assets	14	(854,685)	(487,035)
Other income and loss, net	15	516,059	60,389
Profit before tax	16	1,786,138	1,023,202
Income tax expense	17	(407,305)	(225,084)
Profit for the year		1,378,833	798,118
Other comprehensive income		-	-
Total comprehensive income for the year		1,378,833	798,118

The Company's Management approved these financial statements for the year ended 31 December 2024 on April 25, 2025, and on its behalf it was signed:


Kairmagambetov B.M.
 Director




Suleimenova A.V.
 Financial Director


Kerimbekov A.A.
 Chief accountant

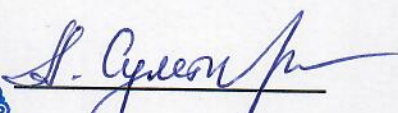
The statement of profit or loss and other comprehensive income should be read in conjunction with the notes on pages 11 -34, which are an integral part of these financial statements.


Microfinance organization Auto Zhana Credit LLP
Statement of cash flows for the year ended 31 December 2024
all amounts are presented in KZT thousands

	Notes	2024	2023
Operating activity			
Profit before tax		1,786,138	1,023,202
Adjustments to reconcile profit before tax to net cash flows:			
Interest income on client's loans and deposits		(3,328,479)	(2,188,613)
Interest expenses		78,674	32,523
Expenses for expected credit losses		846,685	487,035
Impairment of advances paid		8,000	-
Depreciation of property, plant and equipment and right-of-use assets		85,172	58,486
Income from modification of lease liabilities		(11,429)	(8,093)
Loss on disposal of assets		3,853	390
Working capital changes:			
Loans to clients		2,056,915	(3,197,960)
Advances paid and other current assets		(22,255)	(23,150)
Other liabilities		41,259	2,774,985
		1,544,533	(1,041,195)
Interest received on deposits		994	2,450
Income tax paid		(251,884)	(74,613)
Net cash flows from/(used in) operating activity		1,293,643	(1,113,358)
Investing activity			
Purchase of property, plant and equipment		(21,033)	(57,683)
Purchase of intangible assets		(2,050)	-
Net cash used in investing activity		(23,083)	(57,683)
Financing activities			
Contribution to the charter capital		-	100,000
Proceeds from loans		970,889	2,206,397
Repayment of loans		(1,879,575)	(1,108,308)
Repayment of lease liabilities		(133,498)	(65,091)
Net cash flows from/(used in) financing activities		(1,042,184)	1,132,998
Net decrease in cash		228,376	(38,043)
Expected credit loss of cash		(142,549)	-
Cash at the beginning of year		25,659	63,702
Cash at the end of year		111,486	25,659

The Company's Management approved these financial statements for the year ended 31 December 2024 on April 25, 2025, and on its behalf it was signed:


Kairmagambetov B.M.
 Director


Suleimenova A.V.
 Financial Director


Kerimbekov A.A.
 Chief accountant

The statement of cash flows should be read in conjunction with the notes on pages 11 -34, which are an integral part of these financial statements.

Microfinance organization Auto Zhana Credit LLP**Statement of changes in equity for the year ended 31 December 2024***all amounts are presented in KZT thousands*

	Charter capital	Retained earnings	Total
At 31.12.2022 (Unaudited)	100,000	346,489	446,489
Comprehensive income for the year	-	798,118	798,118
Contribution to the charter capital	100,000	-	100,000
At 31.12.2023	200,000	1,144,607	1,344,607
Comprehensive income for the year	-	1,378,833	1,378,833
At 31.12.2024	200,000	2,523,440	2,723,440

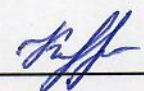
The Company's Management approved these financial statements for the year ended 31 December 2024 on April 25, 2025, and on its behalf it was signed:


Kairmagambetov B.M.

Director


Suleimenova A.V.

Financial Director


Kerimbekov A.A.

Chief accountant

The statement of changes in equity should be read in conjunction with the notes on pages 11 -34, which are an integral part of these financial statements

Microfinance organization Auto Zhana Credit LLP
Notes to the Financial Statements for the year ended 31 December 2024
all amounts are presented in KZT thousands

1 General information

Microfinance Organization Avto Zhana Kredit Limited Liability Partnership (hereinafter referred to as the Company) was registered on December 2, 2020 in accordance with the Law of the Republic of Kazakhstan On Microfinance Activities. The Business Identification Number of the Company is 201240002493.

The Company's activities are supervised and regulated by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (hereinafter referred to as the Agency) through the procedure of registration with the authorized body and compliance with prudential standards. On 14 April 2021, the Company received a license for microfinance activities № 02.21.0072.M.

The main activity of the Company is the provision of consumer microloans to individuals secured by vehicles. As of December 31, 2023 and 2022, the Company has 14 branches in the Republic of Kazakhstan. The branches are located in the following cities: Almaty, Astana, Aktobe, Atyrau, Karaganda, Semey, Taldykorgan, Taraz, Ust-Kamenogorsk and Shymkent.

The location and place of operation of the Company is the Republic of Kazakhstan. The registered and actual address of the head office of the Company: Manash Kozybayev Street, 10, A15T7E2, Almaty, Republic of Kazakhstan.

As of December 31, 2024 and 2023, the participants of the Company and the ultimate controlling parties are citizens of the Republic of Kazakhstan Nurbatsin Abay Askarovich and Nurbatsin Erbol Askarovich. Both participants own 50% of the charter capital of the Company.

The Company's Management approved these financial statements for the year ended 31 December 2024 on April 25, 2025.

2 Basis of preparation

(a) Statement of compliance with IFRS

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

The financial statements have been prepared on the basis of historical cost accounting rules, except for financial instruments carried at fair value at initial recognition.

(b) Functional and presentation currency

The functional currency of the Company is Kazakhstan tenge (hereinafter, KZT or tenge), which, being the national currency of the Republic of Kazakhstan, best reflects the economic nature of the majority of operations carried out by the Company and related circumstances affecting its activities.

Kazakhstan tenge is also the presentation currency of these financial statements.

All financial statements data is rounded accurate to whole thousands tenge.

(c) Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to realize its assets, as well as its future operations, may be significantly affected by current and future economic conditions in Kazakhstan.

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

2 Basic of preparation (continued)

Fair value measurement (continued)

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 Significant accounting policies

(a) New and amended standards and interpretations

The Company has adopted for the first-time certain standards and amendments that are effective for annual reporting periods beginning on or after January 1, 2024. The Company has not early adopted standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 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 had no impact on the Company's financial statements.

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

The amendments to IAS 1 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, an entity is required to disclose 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 have not had an impact on the classification of the Company's liabilities.

3 Significant accounting policies (continued)

New and amended standards and interpretations (continued)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures 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 had no impact on the Company's financial statements.

(b) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Lack of exchangeability – Amendments to IAS 21.

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

(c) Financial instruments

Regular way purchases and sales of financial assets and liabilities are recognized on the trade date, which is the date the Company commits to purchase the asset or liability. Regular way purchases and sales are purchases or sales of financial assets and liabilities under a contract that requires delivery of the asset or liability within a time frame established by market rules or conventions.

Categories of financial instruments

The Company classifies all of its financial assets, based on the business model used to manage the assets and the contractual terms of the assets, as measured at:

- financial assets measured at amortized cost (debt instruments);
- financial assets measured at fair value through other comprehensive income with subsequent reclassification of cumulative gains and losses (debt instruments) (FVOCI);
- financial assets designated at fair value through other comprehensive income, with subsequent reclassification of cumulative gains and losses on derecognition (equity instruments);
- financial assets measured at fair value through profit or loss (FVPL).

The Company classifies and measures derivatives at FVPL. The Company may designate financial instruments as measured at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL if they are held for trading and derivative instruments, or, at the discretion of the Company, are classified as measured at fair value.

Financial assets measured at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- the 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 give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial assets measured at amortized cost are subsequently measured using the effective interest method and are subject to impairment requirements. Gains or losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Company classifies trade receivables and loans to related parties as financial assets measured at amortized cost.

Financial assets measured 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 give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments measured at fair value through other comprehensive income, interest income, foreign exchange gains and impairment losses or reversals are recognised in the statement of profit or loss and 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.

At the reporting date, the Company does not have debt instruments measured at fair value through other comprehensive income.

Financial assets measured 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 give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments measured at fair value through other comprehensive income, interest income, foreign exchange gains and impairment losses or reversals are recognised in the statement of profit or loss and 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.

At the reporting date, the Company does not have debt instruments measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss

The category of financial assets measured at fair value through profit or loss includes financial assets held for trading, financial assets designated at initial recognition as at fair value through profit or loss, or financial assets mandatorily measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets whose cash flows are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model used.

Notwithstanding the criteria for classifying debt instruments as measured at amortised cost or at fair value through other comprehensive income as described above, the Company may, at initial recognition, designate debt instruments as measured at fair value through profit or loss if designation eliminates or significantly reduces an accounting mismatch.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

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

Derecognition

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

- 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 a third party the received cash flows in full without material delay 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.

If the Company has transferred its rights to receive cash flows from the asset or 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 has it transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement in the asset.

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 obligations 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 or the maximum amount of consideration that the Company might be required to pay.

Loan restructuring

The Company will seek to restructure loans where the borrower is unable to adhere to the agreed repayment schedule due to an objective change in circumstances, but the Company believes that the borrower is able to repay the loan in full under the revised repayment schedule. Restructuring may involve extending contractual payment terms and agreeing new loan terms.

The Company derecognizes a financial asset, such as a loan to a customer, if the terms of the contract are renegotiated so that, in substance, it becomes a new loan, with the difference recognized as a gain or loss on derecognition before any impairment loss is recognized. On initial recognition, loans are classified in Stage 1 for the purpose of measuring ECL, unless the originated loan is considered to be a purchased or originated credit-impaired (POCI) asset. When assessing whether to derecognize a loan to a customer, the Company considers, among other things, the following factors:

- Change in loan currency;
- Change in counterparty;
- Does the modification result in the instrument no longer meeting the SPPI test criteria?

If the modification does not result in a significant change in cash flows, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the Company recognizes a gain or loss on the modification, which is presented in interest revenue calculated using the effective interest rate in profit or loss, before an impairment loss is recognized.

For a modification that does not result in derecognition, the Company also reassesses whether there has been a significant increase in credit risk or whether the asset should be classified as credit-impaired. Once classified as credit-impaired as a result of a modification, an asset will remain in Stage 3 for at least a 2-month probationary period. Regular payments of principal and interest during the probationary period in accordance with the modified payment schedule are required to move the restructured loan out of Stage 3.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

Write-offs

Financial assets are written off, either partially or in whole, only when the Company believes that their recovery is unlikely. If the amount to be written off is higher than the accumulated allowance for impairment losses, the difference is first recorded as an increase in the allowance, which is then applied to the gross carrying amount. Any subsequent recoveries are charged to credit loss expense.

Write-offs are treated as derecognition.

Expected Credit Losses

The Company recognizes an allowance for expected credit losses (ECL) on financial assets measured at amortized cost and at fair value through other comprehensive income in an amount equal to the lifetime ECL if the credit loss has increased significantly since initial recognition. The Company does not reduce the carrying amount of a financial asset measured at fair value through other comprehensive income, but recognizes the allowance in other comprehensive income.

In determining whether the credit risk of a financial asset has increased significantly since its initial recognition, the Company considers changes in the risk of a default occurring over the life of the credit instrument, rather than changes in the amount of ECL.

If the contractual cash flow terms of a financial asset have been renegotiated or modified and the financial asset has not been derecognized, the Company assesses whether the credit risk of the financial instrument has changed significantly by comparing:

- the estimated risk of a default occurring at the reporting date (based on the modified contractual terms);
- the estimated risk of a default occurring at initial recognition (based on the original unmodified contractual terms).

If there is no significant increase in credit risk, the Company recognizes a loss allowance on the financial asset in an amount equal to 12-month ECL, except for:

- 1) purchased or originated credit-impaired financial assets;
- 2) trade receivables; and
- 3) lease receivables.

For the financial assets specified in paragraphs (1)–(3), the Company measures the loss allowance at an amount equal to lifetime ECL.

If the Company measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines as of the current reporting date that there has been no significant increase in credit risk, the Company shall measure the loss allowance at an amount equal to 12-month ECL as of the current reporting date.

The Company shall recognize as an impairment gain or loss the amount necessary to adjust the loss allowance to the ECL as of the reporting date.

For purchased or originated credit-impaired financial assets, the Company shall recognize favorable changes in lifetime ECL as a reversal of an impairment loss, even if the lifetime ECL is less than the ECL that was included in the estimated cash flows on initial recognition.

Measuring expected credit losses The Company determines the expected credit losses for a financial instrument in a manner that reflects:

- 1) an unbiased, probability-weighted amount determined by assessing a range of possible outcomes;
- 2) the time value of money;
- 3) reasonable and supportable information about past events, current conditions and projected future economic conditions available at the reporting date.

The maximum period considered in measuring ECL is the maximum contractual period (including extension options) over which the Company is exposed to credit risk.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

To achieve the objective of recognizing lifetime ECLs that result from significant increases in credit risk since initial recognition, it may be necessary to assess significant increases in credit risk on a collective basis, for example, by analysing information that indicates a significant increase in credit risk for a group or subgroup of financial instruments. This ensures that the Company achieves the objective of recognising lifetime ECLs in the event of significant increases in credit risk, even if evidence of such a significant increase in credit risk at an individual instrument level is not yet available.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the original liability is derecognized and a new liability is recognized, with any difference in the carrying amounts of the liabilities recognized in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when there is a currently enforceable right to set off the recognized amounts and there is an intention to settle on a net basis and to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, amounts due from credit institutions with maturity within ninety (90) days from the date of origin, not encumbered by any contractual obligations.

(d) Lease

At inception of a contract, the Company assesses whether the arrangement constitutes a lease or contains a lease. In other words, the Company determines whether the contract 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 a single approach to recognizing and measuring all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities for lease payments and right-of-use assets that represent the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for the remeasurement of the lease liability. The initial cost of right-of-use assets comprises the amount of the lease liability recognized, initial direct costs incurred and lease payments made on or before the commencement date, less any lease incentives received.

Right-of-use assets are amortized on a straight-line basis over the shorter of the lease term or the expected useful life of the asset.

If title to the leased asset passes to the Company at the end of the lease term or if the initial cost of the asset reflects the exercise of an option to purchase it, the asset is amortized over its expected useful life.

Right-of-use assets are also tested for impairment (described in the accounting policy section Impairment of non-financial assets).

Lease liabilities

At the commencement date of a lease, the Company recognizes lease liabilities that are measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

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Notes to the Financial Statements for the year ended 31 December 2024
all amounts are presented in KZT thousands

3 Significant accounting policies (continued)

(d) Lease (continued)

Lease payments also include the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and penalty payments for terminating the lease if the lease term reflects the Company's potential exercise of an option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payments occurs.

To calculate the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease because the interest rate implicit in the lease cannot be readily determined. After the commencement date, the lease liability is increased to reflect the accrual of interest and decreased to reflect lease payments made. In addition, the Company reassessed the carrying amount of the lease liability when there is a modification, a change in the lease term, a change in lease payments (such as a change in future payments caused by a change in the index or rate used to determine those payments), or a change in the valuation of an option to purchase the underlying asset.

Short-Term Leases and Low-Value Asset Leases

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

The Company as a lessor

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

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and provision for impairment (where required). The costs of minor repairs and maintenance are recognized as incurred and expensed in the current period. The cost of replacing major components of property, plant and equipment is capitalized, with the replaced component subsequently written off.

At the end of each reporting period, management assesses whether there is any indication that property, plant and equipment may be impaired. If there is an indication that the asset may be impaired, management estimates its recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use.

The carrying amount is reduced to its recoverable amount and any impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior periods is reversed if there has been a change in the estimates used to determine the asset's value in use or its fair value less costs to sell.

Gains and losses on disposal, determined by comparing proceeds with carrying amount, are recognised in profit or loss for the year (within other income or expense).

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the expected useful lives of property, plant and equipment. Depreciation is accrued from the acquisition date. The useful lives of different items of property, plant and equipment may be represented as follows:

	<u>Estimated useful lives, years</u>
Computers	3-5
Vehicles	5-10
Other	2-10
	18

3 Significant accounting policies (continued)

(e) Property, Plant and Equipment (continued)

The useful life of an asset is determined at initial recognition, determined in accordance with its specifications and expected usage, and reviewed annually.

The residual value of an asset is the estimated amount that the Company would currently obtain from selling the asset, less the estimated costs of disposal, if the asset were of the age and condition it will have at the end of its useful life. The residual value of an asset is zero if the Company intends to use the asset until the end of its physical life. The residual value of the assets and their useful lives are reviewed, and adjusted if appropriate, at each reporting date.

(f) Pension and other benefit obligations

The Company does not have any pension arrangements other than participation in the state pension system of the Republic of Kazakhstan, which requires current employer contributions to be calculated as a percentage of current total payments to employees. The Company withholds 10% of its employees' salaries as contributions to their pension funds. According to the legislation, pension contributions are an obligation of the employees and the Company has no present or future obligation to make payments to employees upon their retirement.

(g) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the amount of the obligation is significant, provisions are determined by discounting the estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(h) Taxation

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

Current income tax is the amount of tax payable on taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustments to the income tax liability for prior years.

Deferred tax is recognised, using the balance sheet liability method, for temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax is not recognised for the following temporary differences: differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries if it is probable that the temporary differences will not reverse in the foreseeable future.

In addition, deferred tax is not recognized for taxable temporary differences on initial recognition of goodwill. The amount of deferred tax is determined using the tax rates that will apply in the future to the date when the temporary differences reverse, based on laws enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legal right to set off current income tax assets and liabilities and they relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities but the entities intend to settle the current tax liabilities and assets on a net basis or the realization of their tax assets and liabilities will occur simultaneously. A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the related deductible temporary differences can be utilised. The amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be utilised.

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3 Significant accounting policies (continued)

(i) Net interest income

Interest income and expense on all financial instruments, except those classified as held for trading and those measured or designated as at fair value through profit or loss (FVTPL), are recognized in the statement of profit or loss as Interest income and Interest expense using the effective interest method. Interest on financial instruments classified as FVTPL is included in changes in fair value during the reporting period.

The effective interest rate is the rate that exactly discounts the estimated future cash flows of a financial instrument to its net carrying amount through the expected life of the financial asset or liability or, where appropriate, a shorter period. Future cash flows are estimated taking into account all contractual terms of the instrument.

All fees and other amounts paid or received between parties that are an integral part of the effective interest rate and directly attributable to the borrowing arrangements, as well as transaction costs and any other premiums or discounts are included. For financial assets at FVTPL, transaction costs are recognised in profit or loss on initial recognition.

Interest income/interest expense is calculated by applying the effective interest rate to the gross carrying amount of financial assets that are not credit-impaired (ie the amortised cost of the financial asset before any allowance for expected credit losses) or to the amortised cost of financial liabilities. Interest income on financial assets that are credit-impaired is calculated by applying the effective interest rate to the amortised cost of those assets (ie their gross carrying amount less any allowance for expected credit losses). The effective interest rate for originated or purchased credit-impaired (POCI) financial assets reflects the amount of expected credit losses in determining the expected future cash flows of the financial asset.

Offsetting

A financial asset and a financial liability are offset and the net amount reported in the statement of financial position only if the Company has a legally enforceable right to set off the amounts recognised in the balance sheet and intends either to settle the net amount or to realise the asset and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss and other comprehensive income unless required or permitted by an accounting standard or related interpretation, in which case such cases are separately disclosed in the Company's accounting policies.

(j) Equity

Charter capital

Charer capital is classified as equity. Incremental costs directly attributable to the issue of additional share capital are recognised as a deduction from equity, net of any tax effects.

Dividends

Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed in the financial statements if they are recommended before the reporting date, and if they are recommended or declared after the reporting date but before the financial statements are authorized for issue. The Company's ability to declare and pay dividends is governed by the current legislation of the Republic of Kazakhstan.

(k) Contingent assets and liabilities

Contingent liabilities are not recognized in the statement of financial position, but are disclosed in the financial statements unless an outflow of resources to settle them is remote. Contingent assets are not recognized in the statement of financial position, but are disclosed in the financial statements unless the flow of economic benefits associated with them is probable.

(l) Subsequent events

Events occurring after the year end that provide additional information about the Company's position at the date of the financial statements (adjusting events) are reflected in the financial statements. Events occurring after the year end that are not adjusting events are disclosed in the notes to the financial statements if they are material.

4 Significant accounting judgements, estimates and assumptions

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

Estimates and underlying assumptions are reviewed regularly. Changes in estimates are reflected in the period in which the estimate is revised if the change affects only that period, or in the period in which the estimate is revised and future periods if the change affects both current and future periods.

The most significant uses of judgment and estimates are as follows:

Significant increase in credit risk

As explained in Note 3, the amount of expected credit losses is measured at an allowance equal to 12-month (for stage 1 assets) or lifetime (for stage 2 and 3 assets) expected credit losses. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether an asset's credit risk has increased significantly, the Company considers both qualitative and quantitative forward-looking information that is reasonable and can be supported.

Determining the number and relative weighting of forecast scenarios for each market product type and determining the forward-looking information related to each scenario

For loans to customers, the calculation of expected credit losses takes into account the possible expected impact of changes in macroeconomic parameters on forecast cash flows, the migration of loans assessed on a collective basis and collateral coverage. In estimating expected credit losses, the Company uses reasonable and supportable forward-looking information that is based on assumptions about the future movement of various economic factors and how these factors will influence each other.

The key inputs used to estimate expected credit losses include the following:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure to default (EAD).

Probability of Default

Probability of default is a key input in measuring credit losses. Probability of default is an estimate over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Calculation of the probability of default for loans rated on a collective basis is based on historical data using migration matrices and conversion factors.

Loss Given Default

Loss Given Default is an estimate of the loss that would result from a default occurring at a given point in time. It is calculated based on the difference between the contractual cash flows and the cash flows that the lender expects to receive, excluding the sale of collateral. The Company rarely encounters a sale of collateral, so the Company does not use the expected cash flows from its sale in the LGD model. It is usually expressed as a percentage of EAD.

Exposure at Default

The Exposure at Default indicator is an estimate of the risk at a future default date, taking into account expected changes in risk after the reporting date, including principal and interest repayments and expected drawdowns of approved credit facilities.

The Company's approach to modeling this indicator takes into account expected changes in the amount outstanding over the maturity period that are permitted by current contractual terms (amortization profiles, early repayment or overpayment, changes in the use of undrawn amounts on credit commitments and measures taken to mitigate risks before default). To estimate exposure at default, the Company uses models that reflect the characteristics of the relevant portfolios.

4 Significant accounting judgements, estimates and assumptions (continued)

Creating groups of assets with similar credit risk characteristics

When expected credit losses are measured for a group of assets, financial instruments are grouped based on their common risk characteristics.

Impairment of financial assets measured at amortized cost

The Company regularly reviews its loans to customers and receivables to assess for impairment. The Company's loan impairment allowances are established to recognise expected impairment losses on initial recognition of an asset. When a financial asset is recognised, ECL is also recognised in profit or loss for 12 months. This is the amount of ECL that could be incurred by the Company as a result of adverse events related to financial instruments that are likely to occur within 12 months after the reporting date. The Company uses available information that is not costly to collect and compile to estimate the risks and amounts of expected losses, which includes information about past events, current conditions, and reasonable and supportable forecasts of future events and economic conditions. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective impairment evidence similar to those of the group of loans.

The Company uses a fixed percentage of ECL based on historical data to measure credit risk. The Company considers the accounting estimates related to the allowance for loan impairment to be a key source of estimation uncertainty because (a) they are highly variable from period to period because assumptions about future loss rates and estimates of potential losses on impaired loans and receivables are based on actual performance as of the current date, and (b) if there is a material difference between the loss estimates and the Company's actual losses, provisions will be required that could have a material impact on the Company's financial statements in subsequent periods. The Company uses management's judgment to estimate the amount of any impairment loss in cases where a borrower has financial difficulties and there is little historical data available regarding similar borrowers.

Similarly, the Company estimates changes in future cash flows based on historical operating experience, historical customer behavior, observable data indicating an adverse change in the payment status of borrowers in a group, and national or local economic conditions that correlate with defaults on assets in the group.

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective impairment evidence similar to those of a group of loans. The Company uses management's estimates to adjust observable data for a group of loans to reflect current circumstances not reflected in historical data.

The allowances for impairment of financial assets in the financial statements are determined on the basis of existing economic and political conditions. The Company is not in a position to predict what changes will take place in the Republic of Kazakhstan and what effect such changes might have on the adequacy of the allowances for impairment of financial assets in future periods.

Valuation of financial instruments

To estimate the fair value of certain types of financial instruments, the Company uses valuation techniques that take into account inputs that are not based on observable market data. Note 21 provides detailed information about the key assumptions used in determining the fair value of financial instruments, as well as a detailed analysis of the sensitivity of the estimates with respect to these assumptions. In the opinion of management, the valuation techniques selected and the assumptions used are appropriate for determining the fair value of financial instruments.

Taxation

Kazakhstan tax, currency and customs legislation is subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation applied to the Company's transactions and activities may be challenged by the relevant regional or state authorities. Tax periods remain open to review by the relevant authorities for five calendar years preceding the year under review. In certain circumstances, reviews may cover longer periods.

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4 Significant accounting judgements, estimates and assumptions (continued)

As of December 31, 2024, the Company's management believes that its interpretation of the relevant legislation is acceptable and the Company's tax, currency and customs status will be confirmed. Following audits by the relevant authorities, significant additional taxes, fines and penalties may be assessed, which may significantly affect the Company's net profit.

Useful Lives of Property, Plant and Equipment

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period. The assessment of the useful life of an asset depends on factors such as economic use, repair and maintenance programs, technological improvements and other business conditions. Management's assessment of the useful lives of property, plant and equipment reflects the relevant information available at the date of these financial statements.

Definition of Lease Term in Contracts with an Extension Option

The Company defines the lease term as the non-cancellable period of the lease together with any periods for which there is an option to extend the lease if it is reasonably certain to be exercised or any periods for which there is an option to terminate the lease if it is reasonably certain not to be exercised. A significant number of leases have an extension option for at least 1 year.

The Company applies judgment to determine whether it is reasonably certain to exercise the option to extend the lease. In doing so, the Company considers all relevant factors that create an economic incentive to exercise the option to extend the lease.

After the commencement date, the Company reassesses the lease term if a significant event or change in circumstances occurs that is within the Company's control and affects its ability to exercise (or not exercise) the option to extend the lease (for example, a change in business strategy).

5 Cash

	2024	2023
Cash at hands	138,517	15,065
Term bank deposits	75,000	-
Current bank accounts	18,860	9,819
Cash on the way	4,658	775
Allowance for expected credit losses	(125,549)	-
	111,486	25,659

As at 31 December 2024, term bank deposits are represented by tenge denominated deposits placed in JSC Halyk Bank with an interest rate of 13.75% for the amount of KZT 75,000 thousand.

As of December 31, 2024 and 2023, cash and cash equivalents were classified into Level 1 of the fair value hierarchy. There were no transfers between stages during the years ended December 31, 2024 and 2023 (Note 22).

The movement in the reserve for expected credit losses can be represented as follows:

	2024	2023
Allowance for expected credit losses as of 1 January	-	-
Accrual (Note 15)	125,549	-
Allowance for expected credit losses as of 31 December	125,549	-

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6 Loans to clients

	2024	2023
Loans to clients	7,894,754	6,819,340
Provision for expected credit losses	(1,426,779)	(917,633)
	6,467,975	5,901,707

Loans to customers represent consumer loans issued against collateral of motor vehicles. The total value of collateral represented by motor vehicles amounted to KZT 10,711,369 thousand and KZT 14,720,340 thousand as of December 31, 2024 and 2023, respectively. The change in the allowance for expected credit losses is as follows:

	2024	2023
At 1 January	917,633	434,521
Accrued	704,136	487,035
Used	(194,990)	(3,923)
At 31 December	1,426,779	917,633

The table below provides an analysis of the changes in the gross carrying amount of loans to customers during the period that resulted in a change in the allowance for expected credit losses in 2024.

	Stage 1	Stage 2	Stage 3	Total
Principal debt	6,208,286	179,638	334,003	6,721,927
Interest and other charges	50,102	9,991	37,320	97,413
Provision for expected credit losses	(484,668)	(61,642)	(371,323)	(917,633)
Gross carrying amount as at 31 December 2023	5,773,720	127,987	-	5,901,707
Principal debt	6,289,814	56,229	1,207,350	7,553,393
Interest and other charges	114,992	5,102	221,267	341,361
Provision for expected credit losses	(123,005)	(22,278)	(1,281,496)	(1,426,779)
Gross carrying amount as at 31 December 2024	6,281,801	39,053	147,121	6,467,975

7 Advances paid and other current assets

	2024	2023
Advances paid	43,660	19,840
Prepaid taxes	2,031	3,390
Other current assets	18,140	1,346
Provision for expected credit losses on advances paid and other current assets	(25,000)	-
	38,831	24,576

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8 Property, plant and equipment

	Computers	Vehicles	Other	Uninstalled equipment	Total
Historical cost					
At 31.12.2023	-	-	1,280	-	1,280
Acquisition	13,402	4,500	38,294	1,487	57,683
Disposal	-	-	(417)	-	(417)
At 31.12.2023	13,402	4,500	39,157	1,487	58,546
Acquisition	2,786	-	18,247	-	21,033
Disposal	(2,634)	-	(3,706)	-	(6,340)
At 31.12.2024	13,554	4,500	53,698	1,487	73,239
Accumulated depreciation and impairment losses					
At 01.01.2023	-	-	(85)	-	(85)
Depreciation for the period	(2,903)	(150)	(5,399)	-	(8,452)
Disposal	-	-	27	-	27
At 31.12.2023	(2,903)	(150)	(5,457)	-	(8,510)
Depreciation for the period	(3,746)	(900)	(8,296)	-	(12,942)
Disposal	1,226	-	1,261	-	2,487
At 31.12.2024	(5,423)	(1,050)	(12,492)	-	(18,965)
Carrying amount					
At 31.12.2023	-	-	33,700	-	50,036
At 31.12.2024	8,131	3,450	41,206	1,487	54,274

As of December 31, 2024 and 2023, property, plant and equipment were not pledged as collateral for the Company's obligations.

Depreciation expenses are included in administrative expenses.

9 Right-of-use assets and Lease liabilities

The Company leases offices in the cities of the Republic of Kazakhstan, where the Company's branches are located (Note 1). The lease term of the offices is set for 5 years with subsequent annual extension for 1 year. The carrying amount of recognized right-of-use assets and lease liabilities and their changes for 2024 and 2023 are presented below.

	Right-of-use assets (premises)	Lease liabilities
At January 01, 2023	141,714	151,783
Additions	73,030	73,030
Modification	35,428	27,336
Amortization accrual	(50,034)	-
Interest accrual	-	32,522
Payments	-	(65,091)
At December 31, 2023	200,138	219,580
Additions	110,717	110,717
Modification	50,035	38,605
Amortization accrual	(72,178)	-
Interest accrual	-	78,674
Payments	-	(133,498)
At December 31, 2024	288,712	314,078

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9 Right-of-use assets and Lease liabilities (continued)

For the year ended 31 December 2024, the Company recognised expenses related to short-term leases in the amount of KZT 16,662 thousand (2023: KZT 20,594 thousand) (Note 14).

10 Loans from related parties

	Maturity	2024	2023
Loans received from founders	On demand	3,165,888	3,185,673
Loans received from related parties	2025	280,000	521,000
		3,445,888	3,706,673

Loans received from founders

The Company receives interest-free, unsecured loans from founders since 2021. The loan agreements with founders contain a condition under which the founders can demand the loan to be repaid at any time. For this reason, the Company classifies such loans as short-term.

Loans received from related parties

Loans received from related parties represent an interest-free unsecured loan with a maturity date of December 31, 2025.

11 Other liabilities

	2024	2023
Trade payables of related parties	-	651,627
Trade payables	11,135	35,805
Accrued expenses for unused vacations	24,353	18,191
Guarantee obligations	19,000	-
Other liabilities	45,475	981
	99,963	706,604

At 10 December, 2024, the Company entered into an agreement with «JAlmaty Finance» LLP, according to which the Company undertakes to bear full and joint responsibility for the proper performance of the obligations of «Askar Development» LLP (a related party) in relation to a non-revolving credit line for a total of KZT 380,000 thousand.

The Company's management believes that the fair value of such a financial guarantee liability does not exceed KZT 19,000 thousand. The expenses for recognizing this liability are included in the statement of profit or loss and other comprehensive income in the line item "Other income and expenses" (Note 16).

12 Charter capital

As at 31 December 2024 and 2023, the Company's registered and paid-in share capital was KZT 200,000 thousand.

Dividends were not declared or paid in 2024 and 2023.

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13 Net interest income

	2024	2023
Interest income		
Interest income on client's loans	3,327,319	2,185,731
Interest on deposits	1,160	2,882
Modification of lease agreements	11,429	8,092
	3,339,908	2,196,705
Interest expenses		
Interest expense on lease liabilities	(78,674)	(32,522)
	(78,674)	(32,522)
Net interest income	3,261,234	2,164,183

14 Administrative expenses

	2024	2023
Payroll and related taxes	667,128	438,158
Third parties services	226,603	142,299
Amortization of Right-of-use assets	75,056	50,035
Inventories	32,833	18,828
Taxes	24,930	4,167
Rent	16,662	20,594
Depreciation and amortisation	12,994	8,452
Other	80,264	31,802
	1,136,470	714,335

15 Loss of impairment assets

	2024	2023
Provision for expected credit losses on loans to clients	704,136	487,035
Provision for expected credit losses on cash	125,549	-
Reserve for impairment of advances issued	25,000	-
	854,685	487,035

16 Other gain and loss

	2024	2023
Other income		
Income from penalties for late loan repayment	90,956	55,018
Income from writing off payables	442,566	-
Other income	5,415	5,761
	538,937	60,779
Other loss		
Loss on disposal of assets	(3,853)	(390)
Financial guarantee expenses	(19,000)	-
Other loss	(25)	-
	(22,878)	(390)
	516,059	60,389

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17 Income tax expense

	2024	2023
Current income tax	409,883	227,631
Deferred income tax	(2,578)	(2,547)
	407,305	225,084

(a) Reconciliation of existing tax rate

	2024	2023
Profit before tax	1,786,138	1,057,967
Theoretical amount of tax benefit at the statutory rate (20%)	357,228	211,593
Expenses and income which do not change tax base		
- administrative expenses	50,077	13,491
Income tax expenses	407,305	225,084

(b) Deferred assets

	2024	2023
Property, plant and equipment	(902)	(1,093)
Taxes payable	1,156	2
Provision for employee benefits	4,871	3,638
	5,125	2,547

The movement in recognised deferred tax assets is presented as follows:

	2024	2023
At 1 January	2,547	-
Charged to expenses	2,578	2,547
At 31 December	5,125	2,547

18 Related party transactions

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making operating or financial decisions. In determining whether parties are related, the substance of the relationship, not just the legal form, is taken into account.

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

The composition of the Company's founders is disclosed in Note 1.

Transactions with members of key management personnel, including participants of the Company

Remuneration of key management personnel consisting of 4 people (2023: 4 people) amounted to KZT 67,870 thousand for 2024 (2023: KZT 56,363 thousand).

Transactions and balances with related parties

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18 Related party transactions (continued)

Major transactions with related parties as at 31 December are as follows:

	2024	2023
Purchases from related parties		
Loans to clients	-	(2,789,115)
Financial guarantee expenses	(19,000)	-
Expenses related to the right-of-use asset and lease liability	(36,000)	(33,400)
	<u>(55,000)</u>	<u>(2,822,515)</u>

Balances on transactions with related parties as at 31 December are as follows:

	2024	2023
Loans from related parties	(3,445,888)	(3,706,673)
Guarantee obligations	(19,000)	-
Other liabilities	-	(651,627)
	<u>(3,464,888)</u>	<u>(4,358,300)</u>

19 Commitments and Contingences

Operating Environment

Emerging markets, including Kazakhstan, are subject to economic, political, social, legal and regulatory risks that are different from those in more developed markets. Laws and regulations governing business in Kazakhstan can change rapidly and are subject to arbitrary interpretation. The future direction of Kazakhstan is largely dependent on the government's tax and monetary policies, laws and regulations, and changes in the political situation in the country. Because Kazakhstan produces and exports large volumes of oil and gas, the economy of Kazakhstan is particularly sensitive to changes in world oil and gas prices.

The Company's management monitors current changes in the economic environment and takes such measures as it believes are necessary to maintain the sustainability and development of the Company's business in the near future. However, the impact of changes in the economic environment on the Company's future results of operations and financial position is difficult to determine at this time.

Legal Actions and Claims

In the normal course of business, the Company is subject to legal actions and claims. In the opinion of management, the probable liabilities, if any, arising from such actions or claims will not have a material adverse effect on the Company's future financial position or results of operations.

The Company assesses the likelihood of significant liabilities arising from individual circumstances and makes provisions in its financial statements only when it is probable that the events giving rise to the liability will occur and the amount of the liability can be reliably estimated. Management believes that the Company will not incur significant losses and, accordingly, no provision has been made in these financial statements.

Taxation

The Company believes that it has paid or accrued all applicable taxes. Where uncertain, the Company has accrued tax liabilities based on management's reasonable estimates. The Company's policy is to recognize provisions in the reporting period in which a loss is probable and can be measured reliably.

Management believes that as of December 31, 2024, its interpretation of the legislation is appropriate and that the Company's tax, currency and customs positions, including transfer pricing matters, will be sustained.

Due to the uncertainties inherent in the Kazakhstan tax system, the potential amount of taxes, penalties and interest may exceed the amounts expensed to date and accrued as of December 31, 2024. Although such amounts may accrue and are potentially material, the Company's management believes that they are either unlikely to occur, cannot be estimated, or both.

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19 Commitments and Contingences (continued)

Capital expenditure commitments

As of December 31, 2024, the Company had no capital expenditure commitments.

Investment contract commitments

As of December 31, 2024, the Company has no investment contracts.

20 Financial risk management

The Company manages risks through an ongoing process of identification, measurement and monitoring, as well as through the establishment of risk limits and other internal controls. The risk management process is critical to maintaining the Company's sound profitability, and each individual within the Company is responsible for the risks associated with his or her responsibilities. The Company is exposed to credit risk, foreign exchange risk, price risk, liquidity risk and market risk. The Company is also exposed to operational risks.

The Company's risks are measured using a method that reflects both expected losses that are likely to occur in the ordinary course of business and contingencies that are estimates of ultimate actual losses based on statistical models. The models use probabilities derived from past experience and adjusted for economic conditions. The Company also models "worst-case scenarios" that would occur if events considered unlikely occurred.

Credit risk

Credit risk is the risk that the Company will incur losses due to the failure of its customers or counterparties to fulfill their contractual obligations.

The maximum amount of credit risk is limited by the book value of financial assets.

Credit quality by classes of financial assets

Financial assets are classified by credit ratings established by an international rating agency or in accordance with the Company's internal ratings. The highest rating is AAA. Investment grade financial assets have ratings from AAA to B-The Company's financial assets, taking into account reserves for expected credit losses by credit ratings, are presented as follows:

	BB-	BBB-	No credit rating	Total as of December 31
2024				
Cash	17,765	80,753	-	98,518
Loans to clients	-	-	6,467,975	6,467,975
	17,765	80,753	6,467,975	6,566,493
2023				
Cash	40	10,554	-	10,594
Loans to clients	-	-	5,901,707	5,901,707
	-	10,554	5,901,707	5,912,301

It is the Company's policy to assign accurate and consistent ratings across its credit portfolio. This enables focused management of existing risks. The rating system is based on a range of financial analytical methods and processed market data, which provide the primary input for assessing counterparty risk. All internal risk categories are defined taking into account the various categories and in accordance with the Company's rating policy. Equivalent rating categories are assessed and updated regularly.

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20 Financial risk management (continued)

Credit risk (continued)

Collateral

The amount of collateral, which is the customers' vehicles, depends on the assessment of the counterparty's credit risk. The Company's management monitors the market value of collateral, tracks the market value of the collateral received during the verification of the adequacy of the reserve for expected credit losses.

Impairment assessment

The entity measures expected credit losses taking into account the risk of default over the maximum term of the contract (including extension options) for which the entity is exposed to credit risk, but no longer, even if extensions or renewals of the contract are normal business practice.

The assessment of expected credit losses is based on probability-weighted average credit losses. When assessing for significant increases in credit risk, it may be necessary to perform the assessment on a collective basis, as described below.

When the amount of expected credit losses is assessed on a collective basis, financial instruments are grouped on the basis of common risk characteristics. Such groups of assets are regularly reviewed to ensure that they are homogeneous.

The analysis of loans by age since payment default is presented below.

Loans to clients as of December 31, 2024:

	Loans to clients	Provision for expected credit losses	Loans to clients, less provisions
Not overdue	5,836,084	(89,353)	5,746,731
Overdue for a period of 1-30 days	462,441	(31,283)	431,158
Overdue for a period of 31-60 days	10,589	(3,136)	7,453
Overdue for a period of 61-90 days	36,930	(16,714)	20,216
Overdue for more than 90 days	1,207,350	(1,079,523)	127,827
Total principal debt	7,553,394	(1,220,009)	6,333,385
Interest and other charges	341,360	(206,770)	134,590
Total principal, interest and other charges	7,894,754	(1,426,779)	6,467,975

Loans to clients as of December 31, 2023:

	Loans to clients	Provision for expected credit losses	Loans to clients, less provisions
Not overdue	5,425,056	(162,752)	5,262,304
Overdue for a period of 1-30 days	747,445	(318,840)	428,605
Overdue for a period of 31-60 days	87,215	(21,804)	65,411
Overdue for a period of 61-90 days	96,286	(33,700)	62,586
Overdue for more than 90 days	365,925	(365,925)	-
Total principal debt	6,721,927	(903,021)	5,818,906
Interest and other charges	97,413	(14,612)	82,801
Total principal, interest and other charges	6,819,340	(917,633)	5,901,707

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20 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due under normal or unexpected circumstances. Management manages this risk through maturity analysis when determining the Company's strategy for the next financial period. This process includes assessing expected cash flows and the availability of high-quality collateral that can be used to obtain additional financing if needed.

The table below presents the Company's financial liabilities as of December 31, 2024 and 2023 by maturity, based on contractual undiscounted repayment obligations.

	On demand	1 to 3 months	3 months – 1 year	1 to 5 years	Total
2024					
Loans from related parties	-	646,540	2,799,348	-	3,445,888
Trade payables	-	2,397	2,149	-	4,546
Lease liabilities	-	31,372	94,115	501,946	627,433
	-	680,309	2,895,612	501,946	4,077,867
2023					
Loans from related parties	3,185,673	-	521,000	-	3,706,673
Trade payables	-	35,805	651,627	-	687,432
Lease liabilities	-	17,782	53,346	213,383	284,511
	3,185,673	53,587	1,225,973	213,383	4,678,616

Market risk

Market risk is the risk that the fair value of future cash flows from financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. Market risk is managed and controlled using sensitivity analysis. The Company does not have significant concentrations of market risk.

The Company is not exposed to interest rate risk as the rates on financial assets and liabilities are fixed.

The Company is also not exposed to foreign exchange risk as the Company's financial assets and financial liabilities are denominated in tenge.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual security or its issuer or by factors affecting all securities traded in the market.

The Company is exposed to price risk due to the effect of general or specific market movements on its investments.

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay loans or demand repayment of obligations earlier or later than expected.

The Company's management believes that the Company's creditors will not call early repayment of loans and that debtors will not repay their loans early, which could have a material impact on the Company's net income. This assumption is based on data for the previous two financial years.

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20 Financial risk management (continued)

Operational risk

Operational risk is the risk arising from a system failure, human error, fraud or external events. When controls fail, operational risks can cause reputational damage, legal consequences or financial losses.

The Company cannot assume that all operational risks are eliminated, but through the control system and by monitoring and responding appropriately to potential risks, the Company can manage such risks.

The control system includes effective segregation of duties, access rights, approval and reconciliation procedures, personnel training, and assessment procedures, including internal audit. Management is responsible for managing operational risk inherent in the Company's activities, procedures and systems. In the course of work, the compliance officer monitors the consistency and effectiveness of controls over the risk of non-compliance with regulatory requirements in the Company.

21 Capital management

The Company actively manages its capital adequacy levels to protect against risks inherent in its operations. The Company's capital adequacy is controlled using, among other methods, standards established by the laws of the Republic of Kazakhstan.

The primary objective of capital management for the Company is to ensure that the Company complies with externally imposed capital requirements and maintains a high credit rating and capital adequacy standards necessary for the operation of its operations.

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the types of operations carried out. In accordance with the current capital requirements established by the NBRK for registered microfinance organizations, the Company must maintain the first level capital adequacy ratio (k1) of at least 0.1, a maximum risk per borrower (k2) of no more than 0.25, and a leverage ratio of no more than 10. As of December 31, 2024, the capital adequacy ratios were: k1 - 0.393; k2 - 0.017; and k3 - 1.559 (as of December 31, 2023: the capital adequacy ratios were: k1 - 0.168; k2 - 0.012; and k3 - 3.041).

22 Fair value measurement

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis with mandatory disclosure of fair value by levels of the fair value hierarchy is presented below:

	Book value		Fair value	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Financial assets				
Level 1				
Cash	111,486	25,659	111,486	25,659
Level 2				
Loans to clients	6,467,975	5,901,707	6,467,975	5,901,707
Financial liabilities				
Level 2				
Loans from related parties	3,445,888	3,706,673	3,445,888	3,706,673
Level 3				
Lease liabilities	314,078	219,580	314,078	219,580

There were no transfers between levels of the fair value hierarchy during 2024.

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23 Changes in liabilities arising from financing activities

A reconciliation of changes in liabilities and cash flows from financing activities during the year ended December 31, 2024 is presented as follows:

	As at 1 January 2024	Cash flow	Interest charged	Other*	As at 31 December 2024
Loans received from founders	3,185,673	705,289	(1,372,975)	647,901	3,165,888
Loans received from related parties	521,000	265,600	(506,600)	-	280,000
	3,706,673	970,889	(1,879,575)	647,901	3,445,888

In 2024, an agreement was concluded between the Company's participants, related parties, and the Company to transfer the Company's debt for financial assets acquired in 2023, in the amount of KZT 651,401 thousand, into financial liabilities of the Company towards its participants. This transaction is presented in the "Other" column of the table above.

The "Other" column also reflects a decrease in the Company's financial liabilities to participants in the amount of KZT 3,500 thousand due to the settlement of other liabilities of the participants' related parties.

A reconciliation of changes in liabilities and cash flows from financing activities during the year ended December 31, 2023 is presented as follows:

	As at 1 January 2023	Cash flow	Interest charged	Other*	As at 31 December
Loans received from founders	1,834,925	1,685,397	(1,108,308)	773,659	3,185,673
Loans received from related parties	-	521,000	-	-	521,000
	1,834,925	2,206,397	(1,108,308)	773,659	3,706,673

The "Other" column reflects an increase in the Company's financial liabilities to participants due to the assignment of trade payables of related parties to participants under a cession agreement.

24 Events after the reporting date

There were no significant events after the reporting date.