



Financial Statements 2022

**Microfinance Organization “Credit365 Kazakhstan”
Limited Liability Partnership**

Financial Statements

For the year ended December 31, 2022

and Independent Auditors’ Report

Almaty, 2023

MFO “Credit365 Kazakhstan” LLP:

CONTENTS

	Page
STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022	3
INDEPENDENT AUDITORS’ REPORT	4-6
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022	
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-38

MFO "Credit365 Kazakhstan" LLP:

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

The following statement, which should be read in conjunction with the description of the responsibilities of auditors contained in the submitted Independent Auditors' Report, is made with a view to distinguishing the responsibilities of the independent auditors and management in respect to the financial statements of MFO "Credit365 Kazakhstan" LLP (hereinafter referred to as the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as of December 31, 2022, as well as its performance, changes in equity, and cash flows for the year ended December 31, 2022, in accordance with International Financial Reporting Standards (hereinafter "IFRS").

In preparing the financial statements, management is responsible for:

- Selecting appropriate accounting principles and applying them consistently;
- Applying reasonable judgments and estimates;
- Complying with IFRS;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Management is also responsible for:

- Designing, implementing, and maintaining an effective and reliable internal control system within the Company;
- Maintaining an accounting system, which allows at any time with a sufficient degree of accuracy preparing the information on the financial position of the Company and ensuring compliance of the financial statements with the IFRS requirements;
- Maintaining accounting records in compliance with the laws of the Republic of Kazakhstan;
- Taking measures within its range of powers and responsibilities to safeguard Company's assets; and
- Detecting and preventing fraud, errors, and other irregularities.

Management reasonably believes that the Company will continue as a going concern. Therefore, the financial statements of the Company have been prepared on a going concern basis.

These financial statements for the year ended December 31, 2022, have been approved for the issue by the Company's management on August 31, 2023.

On behalf of Management of MFO Credit365 Kazakhstan LLP:


M.S. Issabayev

General Director




A.U. Rysbekov

Chief Accountant

«ALMIR CONSULTING»

жауапкершілігі шектеулі серікт

Қазақстан Республикасы, Алматы қаласы Әл-Фараби даңғылы 19, «Нұрлы-Тау» Бизнес Орталығы, 2 Б корпусы, 4 қабат, 403 кенсе
телефондары: 8(727) 311 01 18 (19,20)
факс: (727) 3110118
email: almirconsulting@mail.ru



ALMIR CONSULTING

Limited Liability Partnership

19, Al-Farabi Ave., Nurlly Tau Business Center,
block 2 b, 4 floor, 403 office,
Almaty, Kazakhstan
Telephones: 8(727) 311 01 18, 311 01 19, 311 01 20
email: almirconsulting@mail.ru

ALMIR CONSULTING LLP, State License
For audit activities in the Republic of Kazakhstan
No. 0000014 issued by the Ministry of Finance of the Republic of
Kazakhstan on 27.11.99

“Approved”

Director of ALMIR CONSULTING LLP
Candidate of economic sciences, Associate
Professor,
(Auditor Qualifying Certificate No. 0000411
dated July 06, 1998)

B. K. Iskendirowa



To the Participant of MFO “Credit365 Kazakhstan” LLP

INDEPENDENT AUDITORS' REPORT

Audit Opinion

We have audited the financial statements of MFO Credit365 Kazakhstan LLP (hereinafter “the Company”), consisting of the statement of financial position as of December 31, 2022, statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements fairly present, in all material respects, the financial position of MFO Credit365 Kazakhstan LLP, as of December 31, 2022, as well as financial performance and cash flows for the period then ended, in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are described in the section *Auditors' Responsibilities for the Audit of the Financial Statements* of our report. We are independent of the Company, as required by the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (Code of IESBA) and ethical requirements applicable to our audit of financial statements in Kazakhstan, and we performed other ethical responsibilities of ours in compliance with those requirements and the Code of IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The audit of the Company's financial statements for the year ended December 31, 2021 was carried out by other auditors, whose report dated August 31, 2022 contained a qualified opinion regarding accounts payable included in the item “Other liabilities” in the amount of 280,583 thousand tenge. We recalculated the amounts of the Company's liabilities taking into account documentary evidence (see the section of the auditors' report “Important circumstances”).

A qualified opinion was also made to assess the impact on tax liabilities of the requirements of the legislation of the Republic of Kazakhstan regarding transfer pricing. We believe that the Company's activities are not subject to transfer pricing regulation.

Important circumstances

We draw your attention to Note 6 to the financial statements, which sets out that the comparative amounts as of December 31, 2021, and for the year then ended have been restated. Our opinion has not been modified in relation to this circumstance.

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 the IFRS, and for such internal control as management determines is necessary to enable preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for the evaluation of a Company's ability to continue as a going concern, and for disclosure, where appropriate, of information relevant to the going concern, as well as for preparation of the financial statements based on the assumption of going concern, except when management intends to liquidate the Company, or discontinue operations, or where has no other realistic alternatives, other than liquidation or discontinuation of operations.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance whether the financial statements are free from material misstatement due to fraud or error, and to issue an auditor's report containing our audit opinion. Reasonable assurance means a high degree of certainty but does not guarantee that the audit performed in accordance with the International Standards on Auditing always identifies significant misstatements, if any. Misstatements can be caused by fraud or errors and are considered material if it can reasonably assume that they, individually or cumulatively, can impact on economic decisions of users made in reliance on the financial statements.

As part of the audit performed in accordance with the International Standards on Auditing, we use professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or errors; design and perform audit procedures in response to the risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Detection risk of material misstatement resulting from fraud is higher than the detection risk of material misstatement due to errors, since fraud can involve conspiracy, falsification, deliberate omission, misrepresentation of information or override of internal controls;
- Obtain understanding of the 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 appropriateness of disclosures prepared by management;
- Make a conclusion about 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 conclude that significant uncertainty exists, in the auditor's report we should draw attention to the relevant disclosures in the financial statements or, if such disclosures are inadequate, we should modify our opinion. Our conclusions are based on the audit evidence obtained before the date of our auditor's report. 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 contents, including disclosures, we also evaluate whether the financial statements present the underlying transactions and events so as to ensure their fair presentation.

We interact with those charged with governance, bringing to their attention, inter alia, information about the planned scope of the audit and its timing, as well as material findings of the audit, including significant shortcomings of the internal control identified during the audit.

We also provide those charged with governance with a statement that we complied with all relevant ethical requirements with respect to independence and informed them about all relationships and other issues that might reasonably be regarded as affecting the auditor's independence and, where necessary, about appropriate precautions.

We select from the matters that we brought to the attention of those charged with governance those matters that were most important to the audit of the financial statements for the current period and, therefore, are key matters of the audit. We describe those matters in our audit opinion, except in cases where public disclosure of those matters is prohibited by applicable laws or regulations, or, in very rare cases, where we conclude that a certain matter shall not be communicated in our report, since we reasonably assume that the adverse effects of communicating such information would be much stronger than public benefit from its disclosure.

Auditor of
ALMIR CONSULTING LLP
Auditor Qualifying Certificate
No. МФ-0000101 dated September 3, 2012

August 31, 2023, Almaty



G.K. Iskenderova

STATEMENT OF FINANCIAL POSITION
As of December 31, 2022

	Note	December 31, 2022	December 31, 2021 (restated)*
(in thousands of tenge)			
ASSETS			
Short-term assets			
Cash	7	667 321	194 874
Credits to the clients	8	1 979 210	1 868 982
Loans issued	9	1 071 381	-
Other receivables	10	214 759	-
Other current assets	11	84 028	11 315
Total short-term assets		4 016 699	2 075 171
Long-term assets			
Property, plant and equipment and intangible assets	12	67 902	16 722
Deferred tax assets	27	35 404	6 291
Total long-term assets		103 306	23 013
Total assets		4 120 005	2 098 184
LIABILITIES			
Short-term liabilities			
Short-term financial liabilities	13	1 045 635	70 075
Trade accounts payable	14	171 707	72 102
Vehicle leasing liability	15	11 970	-
Corporate income tax liabilities		436 530	22 380
Obligations for taxes and other obligatory payments to the budget	16	90 058	10 095
Reserve for unused vacations of employees	17	28 630	8 696
Other short-term liabilities	18	37 363	32 098
Total short-term liabilities		1 821 893	215 446
Long-term liabilities			
Long-term financial liabilities	19	1 806 238	1 775 553
Total long-term liabilities		1 806 238	1 775 553
Total liabilities:			
EQUITY			
Authorized capital	20	300 000	100 000
Retained earnings		191 874	7 185
Total equity		491 874	107 185
Total liabilities and equity		4 120 005	2 098 184

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

M.S. Issabayev

General Director



A.U. Rysbekov

Chief Accountant

The notes on pages 11 to 38 are an integral part of these financial statements.



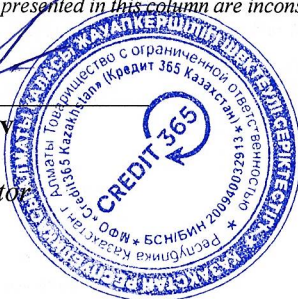
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2022

		(in thousands of tenge)	
	Note	2022	2021 (restated)*
Interest income using the effective interest rate	21	8 721 655	1 815 781
Interest expenses	22	(472 677)	(102 655)
Net interest income before expected credit loss expense		8 248 978	1 713 126
Restoration / (accrual) of provisions for loans issued, net	8	(3 750 935)	(748 886)
Net interest income after accrual of provision for loans issued		4 498 043	964 240
Income from penalties	23	555 061	68 917
Operating expenses	24	(2 160 683)	(579 109)
Operating profit		2 892 421	454 048
Administrative expenses	25	(1 156 113)	(232 385)
Other income / (expenses), net	26	(1 112 850)	(193 291)
Profit before tax		623 458	28 372
Income tax expenses	27	(438 769)	(21 187)
Profit for the reporting period		184 689	7 185
Other comprehensive income		-	-
Total comprehensive income for the reporting period		184 689	7 185

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.


M.S. Issabayev

General Director




A.U. Rysbekov

Chief Accountant

The notes on pages 11 to 38 are an integral part of these financial statements.




STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2022


	Authorized capital	Retained earnings	(in thousands of tenge) Total equity
Balance as of December 31, 2020	-	-	-
Comprehensive income (restated)	-	7 185	7 185
Increase the authorized capital	100 000	-	100 000
Balance as of December 31, 2021 (restated)*	100 000	7 185	107 185
Comprehensive income for the year	-	184 689	184 689
Increase the authorized capital	200 000	-	200 000
Balance as of December 31, 2022	300 000	191 874	491 874

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

M.S. Issabayev
 General Director



A.U. Rysbekov
 Chief Accountant



The notes on pages 11 to 38 are an integral part of these financial statements.

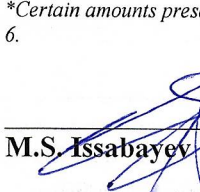


STATEMENT OF CASH FLOWS
For the year ended December 31, 2022
 (direct method)


(in thousands of tenge)

	2022	2021 (restated)*
I. Cash flows from operating activities		
1. Cash inflow, total, including:		
Repayment of microloans issued	29 804 767	4 397 297
Interest received on loans issued	18 852 989	1 476 397
Sale of part of the loan portfolio	8 476 482	2 830 870
Receipts on loans transferred under agreements of assignment of rights of claim	994 369	-
Loan repayment from employees	921 412	-
Interest received on bank deposits	3 200	-
Penalties and fines received	960	113
Advances received	555 061	68 917
Other supply	130	21 000
	164	-
2. Cash outflow, total, including:	(28 527 446)	(6 186 143)
Issuance of microloans	(25 119 040)	(5 251 910)
Salary payments	(493 031)	(62 052)
Loans issued to employees	(34 450)	-
Payments to suppliers for goods and services	(1 661 183)	(652 361)
Payments under agreements of assignment of rights of claims	(22 912)	-
Payments to the budget	(312 019)	(25 396)
Return / (deposit) of funds to a bank deposit account	70 000	424
Advances issued	(916 414)	(73 337)
Other payments	(38 397)	(121 511)
3. Net cash from operating activities	1 277 321	(1 788 846)
II. Cash flows from investment activities		
1. Cash inflow, total	65 145	-
Interest received from loans issued	65 145	-
2. Cash outflow, total	(1 149 426)	(18 766)
Loans issued	(1 102 561)	-
Acquisition of property, plant and equipment and intangible assets	(46 865)	(18 766)
3. Net cash from investment activities	(1 084 281)	(18 766)
III. Cash flows from financial activities		
1. Cash inflow, total	3 018 794	2 232 143
Contribution to the authorized capital	200 000	100 000
Loans received	2 818 794	2 132 143
2. Cash outflow, total	(2 849 918)	(347 497)
Loan repayment	(2 848 560)	(347 497)
Repayment of lease payments	(1 358)	-
3. Net cash from financial activities	168 876	1 884 646
Net changes in cash	361 916	77 034
Impact of currency exchange rates to tenge	110 531	117 840
Cash at the beginning of the reporting period	194 874	-
Cash at the end of the reporting period	667 321	194 874

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.


 M.S. Issabayev
 General Director




 A.U. Rysbekov
 Chief Accountant

The notes on pages 11 to 38 are an integral part of these financial statements.



1. GENERAL INFORMATION

MFO "Credit365 Kazakhstan" LLP (hereinafter referred to as "the Company") was formed on September 25, 2020 in Almaty in the form of MFO "Credit365 Kazakhstan" LLP.

Legal and actual address: 7th floor, building 142, Bogenbay batyr str., Almaty district, Almaty, Republic of Kazakhstan.

Principal Activity

The main activity of the Company is providing microloans to individuals without collateral.

As of December 31, 2022 and 2021, the Company does not have branches or representative offices.

The average number of employees of the Company as of December 31, 2022 is 197 people, as of December 31, 2021 - 84 people.

Participant

As of December 31, 2022 and 2021, the Company's participant is the following legal entity – a resident of the Russian Federation:

Participant	December 31, 2022		December 31, 2021	
	share of participation		share of participation	
	in thousands of	%	in thousands of	%
	tenge		tenge	
AVENTUS FINANCE LLC	300 000	100	100 000	100%

As of December 31, 2022 and 2021, the ultimate controlling person of the Company is Mr. Natalya Germanovna Dmitrieva, a citizen of the Russian Federation.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The reporting year covers the period from January 1 to December 31.

Statement of Compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretations of the International Accounting Standards Board ("IASB").

Geopolitical Situation

As a result of the conflict between the Russian Federation and Ukraine, many countries have introduced and continue to introduce new sanctions against certain Russian legal entities and individuals. Sanctions were also imposed against the Republic of Belarus.

Volatility in the stock and foreign exchange markets, restrictions on imports and exports, and the availability of local resources, materials and services will directly affect companies that are active or have significant ties with the Russian Federation, the Republic of Belarus and Ukraine.

Inflation and Current Economic Conditions

The impact of the macroeconomic and geopolitical environment has exacerbated inflationary pressures in almost all economies around the world. High and rising energy prices have a negative impact on the cost of other goods and services, leading to significant increases in consumer prices in many countries.

Prices for many goods, including food, remain high. In accordance with data from the National Bank of the Republic of Kazakhstan, inflation in Kazakhstan in 2022 amounted to 20.3%.

The Company continues to evaluate the effect of these events and changes in economic conditions on its operations, financial condition and financial resources.

Current inflation pressures, macroeconomic and geopolitical uncertainties, including the conflict in Ukraine, affect judgments related to the valuation of assets and liabilities.

Going Concern Principle

These financial statements do not contain adjustments that would be necessary if the Company were unable to continue its financial and business activities on a going concern basis.

The financial statements have been prepared on the assumption that the Company will continue to operate as a normal business for the foreseeable future, which assumes that assets will be recovered and liabilities will be settled in the normal course of business.

Accrual Method

Accrual-based financial statements inform users not only about past transactions involving the payment and receipt of cash, but also about obligations to pay money in the future, and about resources representing cash that will be received in the future.

Measurement and Reporting Currency

The Company keeps records in Kazakhstani monetary units (tenge), in accordance with the current legislation of the Republic of Kazakhstan. These financial statements are presented in thousands of tenge.

These financial statements have been prepared on a historical cost basis, except for certain assets and liabilities that are measured at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES

Classification of assets and liabilities into current/short-term and non-current/long-term

In the statement of financial position, the Company presents assets and liabilities based on their classification as current/short-term and non-current/long-term. An asset is current if:

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

All other assets are classified as non-current.

A liability is short-term if:

- it is expected to be repaid within the normal operating cycle;
- it is held primarily for trading purposes;
- it is repayable within twelve months after the end of the reporting period; or
- the Company does not have an unconditional right to defer the payment of the liability for at least twelve months after the end of the reporting period.

The Company classifies all other liabilities as current and non-current.

Deferred tax assets and liabilities are classified as non-current/long-term assets and liabilities.

Cash

Cash includes cash on hand, funds held in current accounts with banks that are readily convertible into specified amounts of cash and are subject to an insignificant risk of changes in value and are not subject to any contractual obligations.

Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contract in respect of the relevant financial instrument. The Company reflects regular acquisitions and disposals of financial assets and liabilities at the transaction date, i.e. on the date on which the asset is delivered to the Company or the Company has delivered the asset. Regular acquisitions of financial instruments that are subsequently measured at fair value between the trade date and the settlement date are accounted for in the same way as acquired instruments. Standard purchases or sales are purchases or sales of financial assets that require delivery of the assets over a period generally specified by rules or regulations accepted in the market.

Classification of Financial Instruments

On initial recognition, a financial asset is classified as being measured at either amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

A financial asset is measured at amortized cost only if it meets both of the following conditions and is not designated by the Company as at fair value through profit or loss:

- the asset is held as part of a business model whose objective is to hold the asset to collect contractual cash flows; and
- the contractual terms of the financial asset provide for occurrence, within the established timeframes, of cash flows, which are solely payments of principal and interest accrued on the outstanding portion of the principal.

Business Model Valuation

The Company uses a business model to manage financial assets, the purpose of which is to retain assets in order to receive contractual cash flows, in accordance with which the Company accounts for cash, loans issued, and other receivables.

The business model whose objective is to hold assets to collect contractual cash flows provides for the recording of financial assets at amortized cost.

Reclassification

The classification of financial assets does not change after initial recognition unless the Company changes its business model for managing financial assets.

Financial Liabilities

The Company classifies financial liabilities as measured at amortized cost or fair value through profit or loss.

The classification of financial liabilities cannot be changed after their initial recognition.

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

Subsequent to initial recognition, the Company's financial liabilities are measured at amortized cost using the effective interest method. Gains and losses on financial liabilities are recognized in profit or loss when they are derecognized and as amortized using the effective interest rate.

Impairment of Financial Assets

The Company recognizes a provision for expected credit losses on financial instruments not measured at fair value through profit or loss.

12-month expected credit losses ("12-month ECLs") are the portion of expected credit losses resulting from default on a financial instrument that are possible within 12 months after the reporting date for which 12-month ECLs are recognized, relate to "Stage 1" financial instruments.

If, after initial recognition, the credit risk of a financial asset has increased significantly, the Company recognizes a provision for expected credit losses in an amount equal to the lifetime expected credit loss.

Lifetime expected credit losses ("lifetime ECL") are defined as the ECL resulting from all possible events of default for a financial instrument over its entire expected life. Financial instruments for which lifetime ECL are recognized are classified as "Stage 2" financial instruments (if the credit risk of the financial instrument has increased

significantly since its initial recognition, but the financial instrument is not credit-impaired) and "Stage 3" financial instruments (if the financial instrument is credit-impaired).

Credit Restructuring

The Company strives, whenever possible, to revise the terms of credits, for example, to extend contractual payment terms and agree on new credit terms.

The Company evaluates whether the revision of the cash flows of the financial asset leads to derecognition of the financial asset and recognition of a new financial asset or not.

The Company derecognizes a credit to a client if the terms of the contract are renegotiated so that, in effect, it becomes a new credit, and the difference is recognized as a gain or loss on derecognition before an impairment loss is recognized. At initial recognition, credits are classified as Stage 1 for the purposes of measuring ECL. When assessing whether a client's credit should be derecognized, the Company considers the following factors:

- combining several credits into one credit;
- change of counterparty;

If the modification does not result in a significant change in cash flows, the modification does not result in derecognition.

Estimation of Expected Credit Losses

Expected credit losses are an estimate of credit losses weighted by the likelihood of a default occurring. They are rated as follows:

- for financial assets that are not credit-impaired at the reporting date: as the present value of all expected cash shortfalls (that is, the difference between the cash flows contractually due to the Company and the cash flows that the Company expects to receive);
- for financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount of the assets and the present value of estimated future cash flows.

Significant Increase in Credit Risk

In assessing whether there has been a significant increase in the credit risk of a financial instrument since its initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The assessment includes both quantitative and qualitative information, as well as analysis based on the Company's historical experience, expert assessment of credit quality and forward-looking information.

The purpose of the assessment is to determine whether there has been a significant increase in credit risk in relation to a position exposed to credit risk by comparing:

- the probability of default for the remainder of the entire period as of the reporting date; and
- the remaining lifetime probability of default calculated at that point in time when the exposure to credit risk was initially recognized (adjusted, if appropriate, for changes in prepayment expectations).

Gradation Levels (ratings) of Credit Risk

The Company assigns each credit risk exposure an appropriate credit risk rating based on various data used to predict the risk of default and through the application of expert judgment regarding credit quality. Credit risk ratings are determined using qualitative and quantitative factors that serve as an indicator of the risk of default.

Each credit risk exposure is assigned a specific credit risk rating at the date of initial recognition based on information available about the borrower. Positions exposed to credit risk are subject to ongoing monitoring, which may result in the assignment of a rating to the position that is different from the credit risk rating at initial recognition. Monitoring usually involves analyzing the following data:

- Information on payments, including information on the status of overdue debts;
- Requests and satisfaction of requests for revision of the terms of loan agreements;
- Current and projected changes in financial, economic and business conditions.

Creating a Term Structure of the Probability of Default

Credit risk ratings are the main inputs in creating a term structure of probability of default for positions exposed to credit risk. The Company collects information on debt service quality and default rates for positions exposed to credit risk, analyzed by region, product type and age of the borrower. The Company uses statistical models to analyze collected data and produce estimates of the remaining period probability of default for positions exposed to credit risk and expectations of their changes over time.

Determining whether there has been a significant increase in credit risk

The criteria for determining a significant increase in credit risk vary depending on the portfolio and include both quantitative changes in the values of the probability of default indicator and qualitative factors, including the "limiter" feature for the overdue period.

Based on its expert assessment of credit quality and, where possible, relevant historical experience, the Company may conclude that there has been a significant increase in the credit risk of a financial instrument if this is indicated by certain qualitative indicators that are an indicator of a significant increase in credit risk, the effect of which is not can be fully identified in a timely manner as part of a quantitative analysis.

As a sign of a "limiter", indicating a significant increase in the credit risk of a financial asset since its initial recognition, the Company considers the presence of arrears on this asset of more than 15 days. The number of days past due is determined by counting the number of days, starting from the earliest day, on which payment in full has not been received.

Definition of "Default"

The Company classifies a financial asset as a financial asset that has experienced an event of default in the following cases:

- it is unlikely that the contractual obligations of the counterparty to the Company will be repaid in full; or
- payments are overdue by 90 days or more as of the reporting date;
- according to publicly available information from external sources, the counterparty is in bankruptcy;
- external credit ratings of the financial instrument/counterparty have the value "CC-" (in accordance with ratings according to the rating agencies "Standard & Poor's", "Moody's", etc.);
- as of the current reporting date, the Company was unable to repay another financial instrument of the counterparty;
- other signs that the counterparty is unable to pay its obligations to the Company, and signs of deterioration in the condition of the financial asset.

When assessing the occurrence of an event of default on a borrower's obligations, the Company takes into account the status of overdue debt.

Estimation of Expected Credit Losses

The main input data when estimating expected credit losses is the term structure of the following variables:

- probability of default (PD indicator);
- the amount of loss in case of default (LGD indicator);
- amount at risk in case of default (EAD value).

ECL for Stage 1 credit risk exposures is calculated by multiplying the 12-month PD by the LGD and the EAD.

Lifetime ECL is calculated by multiplying lifetime PD by LGD and EAD.

The methodology for estimating PD indicators is described above in the section "Creating a term structure of the probability of default."

The Company estimates LGD performance based on information about recovery rates for claims against borrowers who have defaulted on their obligations. LGD valuation models take into account seniority.

Requirements and amount of refund. The amount at risk in the event of default is an estimate of the amount exposed to credit risk at the date of default.

The Company determines the amount of the provision for expected credit losses on cash and bank deposits depending on the rating of the credit institution on the international scale of rating agencies.

Derecognition of Financial Assets and Liabilities

Financial Assets

Financial asset is derecognized when the rights to receive cash flows from the asset have expired or when the Company has transferred its right to receive cash flows from the asset or has retained the right to receive cash flows from the asset, but has assumed an obligation to transfer them in full without significant delay to a third party in accordance with the agreement of redistribution; or when the Company either (a) has transferred substantially all the risks and rewards of the asset ownership, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset ownership, but has transferred control over the asset.

Financial Liabilities

The Company recognizes a financial liability in the statement of financial position only when it becomes a contractual party to the financial instrument. At initial recognition, financial liabilities are measured at fair value, which is typically the transaction price, i.e. the fair value of the consideration paid or received.

The Company derecognizes financial liabilities only when they are extinguished, canceled or the claim on them expires.

Financial liabilities carried at amortized cost

Financial liabilities carried at amortized cost include debt on loans. Loan debt is recorded when counterparty organizations provide cash to the Company. Borrowings are recognized initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest method.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are off set and recorded on the net basis in the statement of financial position, when the Company has a legally enforceable right to set off the recognised amounts, and the Company intends to settle them on the net basis or to realise the asset and repay the liability simultaneously. In the event of a transfer of a financial asset that does not qualify for derecognition, the Company does not record the transaction as derecognition of the asset transferred and the associated liability.

Loans and funds received from related and third parties are classified as liabilities if, as a result of a contractual agreement, the Company has an obligation to deliver cash or other financial assets.

Inventories

Inventories are recorded at the lower of two values: cost and net realisable value. Inventories on arrival are recorded at cost, which includes all actual costs incurred to purchase them. The cost of inventories is formed from the cost of purchasing inventories, transport costs associated with their delivery to the storage site and bringing them to the proper condition. Inventory write-offs are made in the Company by weighted average value.

Property, Plant and Equipment

Property plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation of an object begins when it becomes available for use. Depreciation is calculated on a straight-line basis over the following estimated useful lives of the assets:

	Useful lives, (years)
Vehicles	9-15
Computers and office equipment	2-5
Other PPE	2-5



Residual values, useful lives and depreciation methods are reviewed at the end of each reporting year and adjusted as necessary.

Intangible Assets

The Company's intangible assets include its trademark.

Intangible assets acquired separately are initially measured at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives are not subject to amortization. Intangible assets are reviewed for impairment when there are indications that they may be impaired.

Taxation

Income tax comprises current and deferred taxes. Income tax is recognized in profit or loss, unless it relates to items recognized directly in equity or other comprehensive income. In which case, it is recognized in equity or other comprehensive income. Taxable profit differs from net profit reported in the statement of profit or loss because it does not include items of income or expense that are taxable or deductible in other periods and it also excludes items that are not taxable and not deductible. Current tax is the expected tax payable from the taxable income for the year, assessed using tax rates enacted at the reporting date, plus any adjustment to tax payable for previous years.

Deferred tax is determined based on the liability method considering temporary differences between the book values of assets and liabilities used for financial reporting purposes and the amounts used for tax purposes. Deferred tax assets and liabilities are calculated based on the expected way of realization or settlement of the book values of assets and liabilities, using tax rates effective at the reporting date.

A deferred tax asset is recognized only to the extent that there is a likelihood of future taxable income against which temporary differences, unused tax losses and credits can be used. Deferred tax assets are reduced to the extent that it is no longer probable to realize a tax asset.

The book values of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable to get a sufficient benefit from realization of a tax asset for a full or partial recovery of the asset. In Kazakhstan in addition to the income tax, there are several taxes and payments related to the operating activities of the Company. These taxes are included in administrative expenses within the profit or loss of the Company for the reporting year.

Leases

At the time of the contract, 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 short-term leaser

The Company applies the short-term lease asset recognition exemption for right-of-use and lease liability to office leases. Lease payments for short-term leases are recognized as an expense on a straight-line basis over the lease term.

Financial lease – Company as lessee

The Company records lease payments payable in an amount equal to the net investment in the lease from the commencement date of the lease term. Financial expenses are calculated according to a scheme that reflects a constant periodic rate of expense on the book value of net payments. Initial direct costs are included in the initial amount of lease payments payable.

A lease is classified as a financial lease if it involves the transfer of substantially the risks and rewards of ownership of the asset.

The classification of a lease as a financial lease depends on the content of the transaction, and not on the form of the agreement. The following are examples of circumstances that, individually or collectively, would typically result in a lease being classified as a financial lease:

- 1) the lease agreement provides for the transfer of ownership of the asset to the lessee at the end of the lease term;
- 2) the lessee has an option to purchase the asset at a price that is expected to be so much less than the fair value on the exercise date that the option can be reasonably expected to be exercised at the commencement date of the lease;
- 3) the lease term is a significant part of the economic life of the asset, even if ownership rights are not transferred;
- 4) at the commencement date of the lease relationship, the present value of the minimum lease payments is practically equal to the fair value of the underlying asset.

IFRS 16 also defines the characteristics that, individually or collectively, may lead to a lease being classified as a financial lease:

- 1) if the lessee has the right to early termination of the lease agreement, in which the lessor's losses associated with termination of the agreement are attributed to the lessee;
- 2) gains or losses from fluctuations in the fair estimate of salvage value are accrued to the lessee (for example, in the form of a rent rebate equal to the majority of the proceeds from the sale at the end of the lease term); and
- 3) the lessee has the opportunity to extend the lease for another term at a rent level significantly lower than the market one.

Initial Assessment

At initial assessment, the Company recognizes leased items received under financial lease (leasing) as accounts payable in an amount equal to net lease payments.

Initial recognition is carried out on the date of signing the act of acceptance and transfer of the subject of lease (leasing) with the lessor. Initial direct costs associated with the acquisition of the leased asset are included in the initial assessment of financial lease payables.

Leasing payments are made periodically in accordance with financial leasing agreements. Recognition of a finance expense should be based on a schedule that reflects a constant periodic rate of expense on the lessor's outstanding net investment in a financial lease.

The beginning of the lease period is the date from which the lessee has the opportunity to exercise his right to use the leased asset. This is the date on which the lease is initially recognized.

Pension and Other Obligations

The Company does not have any pension arrangements other than the state pension scheme of the Republic of Kazakhstan, which requires employers to withhold an amount calculated as a certain percentage of current total salary payments. The Company made contributions to the Unified Accumulative Pension Fund JSC for its employees. In addition, the Company has neither current nor future payment liabilities to their employees after their retirement.

Equity

The authorized capital is recognized at historical cost by pooling the contributions of the participants of the Company. The contribution to the authorized capital of the Company is the funds of a participant of the Company.

Income and Expense Recognition

An accrual basis is used in determining the results of financial and economic activities of the Company, in accordance with the accrual basis the revenue is recognized (recorded) when it is earned, and expenses as incurred. Income and expense are recognized when the services are provided based on the respective contracts and agreements for the provision of services.

Income from lending and financial activities

Interest income is recognized on an accrual basis and calculated using the effective interest method. The effective interest method is a method that involves calculating the amortized cost of a financial asset or financial liability (or a group of financial assets, a group of financial liabilities), as well as allocating interest income or interest expense to the relevant period. The effective interest rate is the interest rate that normalizes expected future cash payments or receipts to the net present value of the financial asset or financial liability.

If a financial asset or a group of similar financial assets is written down (partially written down) as a result of impairment, interest income is determined by taking into account the interest rate used to discount future cash flows for the purpose of calculating impairment losses.

Recognition of fee and commission income and expenses

Fee and commission on loans issued are recorded as an adjustment to the effective interest rate on borrowings. If it is probable that a loan agreement will be entered into as a result of the commitment to provide a loan, the fee and commission is included in the amount of the loan amount and is amortized over the entire term of the agreement using the effective interest method. Other fee and commission are included in the statement of profit or loss and other comprehensive income as the Company provides services.

Penalty income is recognized in profit or loss when received.

The Company's income is:

- income from principal activities (interest income on loans issued);
- income from non-principal activities (interest income on loans issued, income on deposits, etc.);
- other income.

Expenses include the following types:

- interest expenses on borrowings and other financing;
- operating and administrative expenses;
- other expenses.

Expense Recognition

Expenses should be recognized in the same period in which goods are received or work is performed, regardless of the time of actual payment of funds or other form of implementation.

Expenses are recognized regardless of how they are accepted for tax purposes.

The Company's expenses include interest expenses, operating and administrative expenses and other expenses (losses).

Interest expenses include interest paid on loans received and leasing fees.

Other expenses (losses) are items that fall within the definition of expenses and may or may not arise during the Company's principal activities. Other expenses represent a reduction in economic benefits and are therefore not different in nature from core business expenses.

Revaluation of Foreign Currency

The functional currency of the Company is the currency of the primary economic environment in which the Company operates. The functional currency of the Company and the presentation currency of the Company is the national currency of the Republic of Kazakhstan, i.e., Kazakhstani tenge (hereinafter referred to as "tenge").

Transactions in foreign currency are initially recorded at the tenge rate effective at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into tenge at exchange rates prevailing at the date of the financial statements. Gains and losses arising from the translation of transactions in foreign currencies are recognized in profit or loss as income less foreign exchange losses. Non-monetary items that are measured at original cost in a foreign currency are translated using the exchange rates that are effective at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates effective at the date of the fair value measurement.

The following are the year-end exchange rates used by the Company in preparing its financial statements:

(tenge)

Tenge/1 US Dollar

December 31, 2022
462,65December 31, 2021
431,80

Tenge /1 Euro	492,86	489,10
Tenge /1 Ruble	6,43	5,76

Reserves, Contingent Assets and Contingent Liabilities

Reserves are liabilities of uncertain timing or amount and are recognized when:

- as a result of a past event, the Company has a present obligation (legal or imputed);
- it is likely that there will be a need for some outflow of resources to fulfill this responsibility;
- the amount of the obligation can be reliably estimated.

Contingent liability is an existing obligation that arises from past events but is not recognized because the need of outflow of resources to perform the obligation is not probable, or because the amount of the obligation cannot be reliably estimated.

Contingent liabilities are not recognized but are subject to disclosure unless the outflow of resources is likely.

Contingent assets are not recognized in the financial statements but are subject to disclosure in cases where obtaining economic benefits is likely.

Related Party Disclosures

A party is considered related to the Company, if the party, directly or indirectly, through one or more intermediaries, controls the Company or provides a considerable influence on the financial and operating decisions of the Company.

Related party transactions involve a transfer of resources, services, or obligations between related parties, regardless of whether for free or not.

Subsequent Events

Subsequent events are the events both favorable and unfavorable that occur between the reporting date and the date of approval of the financial statements. Events confirming the existence of certain conditions at the reporting date (adjusting events) are reported in the financial statements. Events indicating the occurrence of certain conditions after the reporting date (non-adjusting events) are not reported in the financial statements. If non-adjusting events are material, they should be disclosed in the notes to the financial statements.

4. New and Revised International Financial Reporting Standards

The following standards and amendments to existing standards are effective for the annual reporting period beginning on January 1, 2022.

Amendments to IFRS 3 - Reference to the Conceptual Framework

The amendments had no impact on the Company's financial statements as there were no business acquisitions during the reporting period.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments had no impact on these financial statements due to the absence of contracts under which the Company had not fulfilled its obligations at the beginning of the reporting period (the date of initial application of the amendments).

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - First time adopter of International Financial Reporting Standards

The amendments had no impact on these financial statements as the Company is not a first-time adopter of IFRS.

Amendments to IFRS 9 Financial Instruments – Fees in the 10% Test for Derecognition of Financial Liabilities

The amendments had no impact on these financial statements as there were no modifications to the Company's financial liabilities during the reporting period.

Amendments to IAS 41 Agriculture - Taxation in Fair Value Measurements

The amendment is not applicable to the Company.

Standards that have been issued but not yet effective

The following are standards and amendments to existing standards that have been issued but are not yet effective as of the date the Company's financial statements were issued. The Company intends to apply these standards and amendments to existing standards, if applicable, from the effective date.

IFRS 17 - Insurance Contracts, enters into force on January 1, 2023, early application is allowed;

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current», enters into force on January 1, 2023, apply retrospectively;

Amendments to IAS 8 – Definition of Accounting Estimates, enters into force on January 1, 2023, early application is allowed;

Amendments to IAS 1 and IFRS Practice Statement 2 on the Application of IFRS – Disclosure of Accounting Policies, enters into force on January 1, 2023, early application is allowed.

The Company has applied those amendments to applicable standards that may have an impact on the Company's financial position and results of operations. The application of the amendments to applicable standards did not have a material effect on these financial statements.

5. Areas of Significant Management's Estimates and Sources and Estimation Uncertainty

The Company's financial statements require management to make assessments that affect the reported amounts of assets and liabilities on the reporting date, as well as the amount of income and expenses during the period ended. Management regularly evaluates its judgments and assessments. Management bases its assessments and judgements on historical data and other factors that are considered reasonable in the circumstances. Actual results could differ from these estimates under different assumptions and conditions.

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

The following notes provide information about the main areas requiring assessment of uncertainty and the most significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements:

- Note 8 – Credits to the clients.

The calculation of expected credit losses takes into account the possible expected impact of changes in macroeconomic parameters on projected cash flows and loan migration. In estimating expected credit losses, the Company uses reasonable forward-looking information that is based on assumptions about the future movements of various economic factors and how these factors will influence each other. Provisions for impairment of financial assets in the financial statements are determined based on existing economic and political conditions. The Company is unable to predict what changes will occur in the Republic of Kazakhstan or what impact these changes may have on the adequacy of provisions for impairment of financial assets in future periods.

- Note 12 – Property, plant and equipment.

The Company reviews the useful lives of property, plant and equipment at the end of each annual reporting period. Estimated useful life depends on factors such as economic use, technological improvements and other business conditions.

- Note 27 - Income tax expense. The assessment is made regarding the occurrence of deferred income tax expense.

Estimating the Impact of Deferred Taxes

At each reporting date, the Company's management determines the future impact of deferred taxes by reconciling the carrying amounts of assets and liabilities in the financial statements with the applicable tax bases. Deferred assets and liabilities are measured at tax rates applicable to the period in which the assets are expected to be realized and the liabilities to be settled. Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available in the future from which temporary differences can be utilized for tax purposes. Deferred tax assets are assessed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

6. RECLASSIFICATION AND RESTATEMENT OF SEPARATE ITEMS OF THE FINANCIAL STATEMENTS OF THE PREVIOUS PERIOD

During the preparation of the financial statements for the year ended December 31, 2022, the Company's management identified and corrected certain errors that had an impact on the relevant amounts in the statement of financial position as of December 31, 2021, statement of profit or loss and other comprehensive income, and statement of changes in equity, and statement of cash flows for the year ended December 31, 2021.

Consequently, changes have been made to the comparative information to bring it into line with the presentation in the current year. The tables below provide information regarding the effect of these adjustments on the Company's financial position, financial results and certain notes to the financial statements as of December 31, 2021 and for the year then ended.

Statement of Financial Position as of December 31, 2021

	As of December 31, 2021, before restatement and reclassification	Changes	(in thousands of tenge) As of December 31, 2021, after restatement and reclassification
ASSETS			
Short-term assets			
Cash	346 265	(151 391)	194 874
Credits to the clients	1 748 464	120 518	1 868 982
Other short-term assets	3 092	8 223	11 315
Total short-term assets	2 097 821	(22 650)	2 075 171
Long-term assets			
Property, plant and equipment and intangible assets	16 819	(97)	16 722
Intangible assets	864	(864)	-
Deferred tax assets	-	6 291	6 291
Total long-term assets	17 683	5 330	23 013
Total assets:	2 115 504	(17 320)	2 098 184
LIABILITIES			
Short-term liabilities			
Short-term financial liabilities	1 738 151	(1 668 076)	70 075
Trade accounts payable	-	72 102	72 102
Corporate income tax liabilities	22 380	-	22 380
Obligations for taxes and other obligatory payments to the budget	11 224	(1 129)	10 095
Reserves for unused vacations of employees	46 346	(37 650)	8 696
Other short-term liabilities	296 883	(264 785)	32 098
Total short-term liabilities	2 114 984	(1 899 538)	215 446
Long-term liabilities			
Long-term financial liabilities	-	1 775 553	1 775 553
Deferred tax liabilities	1 222	(1 222)	-
Total long-term liabilities	1 222	1 774 331	1 775 553
Total liabilities:	2 116 206	(125 207)	1 990 999
EQUITY			
Authorized capital	100 000	-	100 000
Retained earnings	(100 702)	107 887	7 185
Total equity	(702)	107 887	107 185
Total liabilities and equity	2 115 504	(17 320)	2 098 184

Statement of Profit or Loss and Other Comprehensive Income for 2021

	For 2021, before restatement and reclassification	Changes	(in thousands of tenge) For 2021, after restatement and reclassification
Interest income using the effective interest rate	1 625 653	190 128	1 815 781
Interest expenses	(99 973)	(2 682)	(102 655)
Net interest income before expected credit loss expense	1 525 680	187 446	1 713 126
Restoration / (accrual) of reserves for loans issued	(868 868)	119 982	(748 886)
Net interest income after accrual of reserves for loans issued	656 812	307 428	964 240
Income from penalties	70 037	(1 120)	68 917
Operating expenses	(806 313)	227 204	(579 109)
Operating profit	(79 464)	533 512	454 048
Administrative expenses	-	(232 385)	(232 385)
Other income/(expenses), net	2 364	(195 655)	(193 291)
Profit before tax	(77 100)	105 472	28 372
Income tax expenses	(23 602)	2 415	(21 187)
Profit for the reporting period	(100 702)	107 887	7 185
Other comprehensive income	-	-	-
Total comprehensive income for the reporting period	(100 702)	107 887	7 185

Statement of Changes in Equity for the year ended December 31, 2021

	For 2021, before restatement and reclassification	Changes	(in thousands of tenge) For 2021, after restatement and reclassification
Authorized capital	100 000	-	100 000
Retained earnings	(100 702)	107 887	7 185
Total equity	(702)	107 887	107 185

Statement of Cash Flows for the year ended December 31, 2021

	For 2021, before restatement and reclassification	Changes	(in thousands of tenge) For 2021, after restatement and reclassification
Cash inflow from operating activities	6 486 741	(2 089 444)	4 397 297
Cash outflow from operating activities	(6 308 934)	122 791	(6 186 143)
Cash inflow/(outflow) from operating activities	177 807	(1 966 653)	(1 788 846)
Cash inflow from investing activities	19 756	(19 756)	-
Cash outflow from investing activities	-	(18 766)	(18 766)
Cash inflow/(outflow) from investing activities	19 756	(38 522)	(18 766)
Cash inflow from financial activities	100 000	2 132 143	2 232 143
Cash outflow from financial activities	-	(347 497)	(347 497)
Cash inflow/(outflow) from financial activities	100 000	1 784 646	1 884 646
Net increase/(decrease) in cash	297 563	(220 529)	77 034
Impact of changes in exchange rates	48 702	69 138	117 840
Cash at the beginning of the year	-	-	-
Cash at the end of the year	346 265	(151 391)	194 874

7. CASH

(in thousands of tenge)

	December 31, 2022	December 31, 2021 (restated)*
Cash in current bank accounts in tenge	216 531	161 809
Cash in current bank accounts in foreign currency	45 487	-
Cash on the way	405 303	33 065
Total	667 321	194 874

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

The Company's cash are unencumbered and free of collateral obligations.

All cash equivalent balances are classified as Stage 1 for purposes of measuring the provision for expected credit losses.

Cash in bank accounts:

	Rating		Currency	(in thousands of tenge)	
	2022	2021		December 31, 2022	December 31, 2021 (restated)*
Nurbank JSC	B-/ Stable	B+/ Stable	KZT	17 325	144 231
Halyk Bank of Kazakhstan JSC	B+/ Stable	BB-/ Positive	KZT	199 206	17 578
Halyk Bank of Kazakhstan JSC	B+/ Stable	BB-/ Positive	EUR	12 848	-
Halyk Bank of Kazakhstan JSC	B+/ Stable	BB-/ Positive	RUR	32 639	-
Total				262 018	161 809

8. CREDITS TO THE CLIENTS

(in thousands of tenge)

	December 31, 2022	December 31, 2021 (restated)*
Short-term credits provided to clients	2 869 129	934 579
Overdue debt on loans provided	2 647 549	1 230 957
Short-term remuneration receivable	420 411	124 961
Short-term loans for which there is overdue remuneration debt	541 942	327 371
Provisions for expected credit losses on loans	(4 499 821)	(748 886)
Total	1 979 210	1 868 982

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

The maximum microloan amount is no more than 50 MCI. The weighted average interest rate on microloans issued as of December 31, 2022 was 1% per day (as of December 31, 2021 - 1.5% per day).

The Company's portfolio consists of unsecured microloans, mainly issued throughout the Republic of Kazakhstan for consumer purposes.

Overdue debt on loans provided is a failure to fulfill the borrowers' obligations on the principal amount of the debt, which exceeds 1 day.

Overdue interest debt represents a failure to fulfill the borrowers' obligations for interest receivables that exceeds 1 day.

As of December 31, 2022, the Company's microloan portfolio consists of 529,144 units of unsecured microloans (in 2021: 102,915 units), issued to 202,689 individuals for a period of up to 20 days. The total portfolio size, taking into account the deduction of the provision for expected credit losses, amounted to 1,979,210 thousand tenge.

The movement in the provision for expected credit losses:

	2022	(in thousands of tenge) 2021 (restated)*
Provision for impairment at the beginning of the period	(748 886)	-
Expenses for accrual of the reserve	(6 255 209)	(748 886)
Income from restoring the reserve due to the sale of the portfolio	2 504 274	-
Provision for impairment at the end of the period	(4 499 821)	(748 886)

Below is an analysis of the credit quality of loans issued as of December 31, 2022:

	(in thousands of tenge)			
	Stage 1	Stage 2	Stage 3	Total
Gross book value as of January 1, 2022	1 564 056	351 671	702 141	2 617 868
Newly created financial assets	28 010 639	-	-	28 010 639
Accrual of interest income	2 371 641	5 991 047	301 920	8 664 608
Assets that have been repaid	(29 452 809)	(808 764)	-	(30 261 573)
Assets that have been sold	-	-	(2 504 274)	(2 504 274)
Transfers to Stage 1	234 567	(234 567)	-	-
Transfers to Stage 2	(512 056)	512 056	-	-
Transfers to Stage 3	-	(5 182 283)	5 182 283	-
Write-off	-	-	(48 237)	(48 237)
Gross book value as of December 31, 2022	2 216 038	629 160	3 633 833	6 479 031

	Stage 1	Stage 2	Stage 3	Total
Provision for ECL as of January 1, 2022	78 203	97 985	572 698	748 886
Newly created financial assets	3 750 935	-	-	3 750 935
Net change in provision for ECL	187 547	56 740	4 297 690	4 541 977
Assets that have been repaid	(1 758 493)	(43 563)	(235 647)	(2 037 703)
Transfers to Stage 2	(2 036 588)	2 036 588	-	-
Transfers to Stage 3	-	(1 881 044)	1 881 044	-
Assets that have been sold	-	-	(2 504 274)	(2 504 274)
Provision for ECL as of December 31, 2022	221 604	266 706	4 011 511	4 499 821

Below is an analysis of the credit quality of loans issued as of December 31, 2021:

	(in thousands of tenge)			
	Stage 1	Stage 2	Stage 3	Total
Gross book value as of January 1, 2021	-	-	-	-
Newly created financial assets	5 517 807	-	-	5 517 807
Accrual of interest income	1 814 340	-	-	1 814 340
Assets that have been repaid	(4 693 662)	-	-	(4 693 662)
Transfers to Stage 2	(1 074 429)	1 074 429	-	-
Transfers to Stage 3	-	(722 758)	722 758	-
Write-off	-	-	(20 617)	(20 617)
Gross book value as of December 31, 2021	1 564 056	351 671	702 141	2 617 868

	Stage 1	Stage 2	Stage 3	Total
Provision for ECL as of January 1, 2021	-	-	-	-
Newly created financial assets	275 890	-	-	275 890
Net change in provision for ECL	56 784	-	472 685	529 469
Assets that have been repaid	(56 473)	-	-	(56 473)

Transfers to Stage 2	(197 998)	197 998	-	-
Transfers to Stage 3	-	(100 013)	100 013	-
Provision for ECL as of December 31, 2021	78 203	97 985	572 698	748 886

9. LOANS ISSUED

	(in thousands of tenge)	
	December 31, 2022	December 31, 2021
Loan to a participant	837 862	-
Loan to third parties	158 429	-
Loan to employees	30 550	-
Accrued remuneration	44 540	-
Total	1 071 381	-

On July 14, 2022, the Company issued a loan to the participant in the amount of 1,700,000, Euros, subject to repayment in a single payment at the end of the term and an interest rate of 10.5%. The repayment period has been extended until December 31, 2023.

On June 03, 2022, the Company issued a loan to the Aventus IT LLC in the amount of 220,000 Euros, subject to repayment in a single payment at the end of the term and an interest rate of 19%. The loan maturity date is December 31, 2023.

On December 28, 2022, issued a loan to MFO Kredit Seven Kazakhstan LLP in the amount of 50,000 thousand tenge, maturity date: January 12, 2023.

10. OTHER RECEIVABLES

	(in thousands of tenge)	
	December 31, 2022	December 31, 2021
Accounts receivable under the agreement of assignment of the right of claim	27 614	-
Receivables from the sale of portfolios	187 145	-
Total	214 759	-

In 2022, the Company, with its related party Aventus Capital CJSC, entered into ten agreements for the assignment of rights of claim under loan agreements with legal entities for a total amount of 133,261 thousand Russian rubles. The cost of acquiring rights of claim under the agreements is 1,957 thousand Euros.

In 2022, the Company sold impaired loans to customers with a carrying value of 3,242,928 thousand tenge. As of December 31, 2022, receivables from the sale of portfolios amount to 187,145 thousand tenge.

11. OTHER CURRENT ASSETS

	(in thousands of tenge)	
	December 31, 2022	December 31, 2021 (restated)*
Advances paid for goods and services	29 891	8 443
Prepayment for insurance and subscription	5 177	-
Debt of employees on accountable amounts	2 139	-
Inventories	34	2 872
Prepayment of taxes and other obligatory payments to the budget	46 787	-
Total	84 028	11 315

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

12. PROPERTY, PLANT AND EQUIPMENT

	(in thousands of tenge)				
	Vehicles	Computers and office equipment	Others	Intangible assets	Total
As of December 31, 2020	-	-	-	-	-
Additions	-	15 398	3 368	-	18 766
As of December 31, 2021	-	15 398	3 368	-	18 766

MFO "Credit365 Kazakhstan" LLP
Notes to the Financial Statements for the year ended December 31, 2022

Additions	17 990	38 522	8 343	15	64 870
As of December 31, 2022	17 990	53 920	11 711	15	83 636
Accumulated depreciation					
As of December 31, 2020	-	-	-	-	-
Accrued depreciation	-	(1 831)	(213)	-	(2 044)
As of December 31, 2021	-	(1 831)	(213)	-	(2 044)
Accrued depreciation	(150)	(11 282)	(2 258)	-	(13 690)
As of December 31, 2022	(150)	(13 113)	(2 471)	-	(15 734)
Book value:					
As of December 31, 2020	-	-	-	-	-
As of December 31, 2021 (restated)*	-	13 567	3 155	-	16 722
As of December 31, 2022	17 840	40 807	9 240	15	67 902

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

As of December 31, 2022, the Company's property, plant and equipment were not pledged as collateral for the Company's obligations.

In May 2022, the Company acquired a trademark from the State Enterprise "National Institute of Intellectual Property of the Committee on Intellectual Property Rights of the Ministry of Justice of the Republic of Kazakhstan" for a total amount of 14 thousand tenge. The right of use does not have a specific period of use and is not subject to depreciation.

13. SHORT-TERM FINANCIAL LIABILITIES

(in thousands of tenge)

	December 31, 2022	December 31, 2021 (restated)*
Loans received from related legal entities	38 011	-
Loans received from third parties	902 604	70 000
Accrued interest on loans received from related legal entities	105 020	75
Total	1 045 635	70 075

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

Current financial liabilities are presented as follows:

					December 31, 2022	December 31, 2021 (in thousands of tenge)
MFO Kredit Seven Kazakhstan LLP	KZT	04.03.2022	31.12.2023	19,5%	8 400	-
UAB ALDEGA	EUR	13.04.2021	31.12.2023	19,5%	894 204	-
AVENTUS CAPITAL CJSC	EUR	28.12.2022	28.12.2023	10%	38 011	-
NRS-SERVICE LLP	KZT	26.10.2021	26.10.2022	19,5%	-	50 000
LI-GPS LLP	KZT	08.11.2021	08.11.2022	19,5%	-	20 000
Total					940 615	70 000

14. SHORT-TERM ACCOUNTS PAYABLE

(in thousands of tenge)

	December 31, 2022	December 31, 2021 (restated)*
Verification and scoring services	42 595	12 600
Processing services	1 784	5 679



Advertising services	35 533	38 420
Consulting services	20 000	7 317
Marketing services	895	3 139
Agency services	54 050	-
Other accounts payable	16 850	4 947
Total	171 707	72 102

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

15. ACCOUNTS PAYABLE FOR LEASING

	December 31, 2022	(in thousands of tenge) December 31, 2021
Short-term vehicle leasing liability*	3 434	-
Vehicle leasing remuneration	188	-
Long-term vehicle leasing liability	8 348	-
Total	11 970	-

* On August 27, 2022, the Company signed a leasing agreement with Halyk-Leasing JSC in the amount of 17,990 thousand tenge, valid until October 2025. The interest rate is 19%, the leased item is a vehicle (Hyundai Santa Fe Prime car) (Note 12).

16. OBLIGATIONS FOR TAXES AND OTHER OBLIGATORY PAYMENTS TO THE BUDGET

	December 31, 2022	(in thousands of tenge) December 31, 2021 (restated)*
Value added tax	60 484	-
Social tax	6 368	2 007
Individual income tax	7 823	2 567
Other taxes and obligatory payments	15 383	5 521
Total	90 058	10 095

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

17. RESERVE FOR UNUSED VACATION OF EMPLOYEES

	December 31, 2022	(in thousands of tenge) December 31, 2021 (restated)*
Reserve for unused vacation of employees	28 630	8 696
Total	28 630	8 696

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

The change in the reserve for unused employee vacations was as follows:

	(in thousands of tenge)	
	2022	2021
Opening balance	8 696	-
Accrued	28 630	8 696
Used	(8 696)	-
Closing balance	28 630	8 696

18. OTHER CURRENT LIABILITIES

	December 31, 2022	(in thousands of tenge) December 31, 2021 (restated)*
Advances received	3 273	151
Wage arrears	33 842	14 386
Other current liabilities	248	17 561
Total	37 363	32 098



*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

19. LONG-TERM FINANCIAL LIABILITIES

	December 31, 2022	(in thousands of tenge) December 31, 2021 (restated)*
Loans received from the founder (Subordinated debt)	1 726 202	104 594
Loans received from third parties	-	1 634 097
Accrued interest on loans	80 036	36 862
Total	1 806 238	1 775 553

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

Long-term financial liabilities are presented as follows:

					December 31, 2022	(in thousands of tenge) December 31, 2021
	Currency	Receiving date	Maturity date	Rate		
Loans						
UAB ALDEGA	EUR	13.04.2021	31.12.2023	19,50%	-	1 634 097
AVENTUS FINANCE LLC	EUR	23.11.2021	01.12.2027	19,50%	105 681	104 594
AVENTUS FINANCE LLC	EUR	26.05.2022	26.05.2027	10,00%	167 182	-
AVENTUS FINANCE LLC	EUR	27.05.2022	27.05.2027	10,00%	73 929	-
AVENTUS FINANCE LLC	RUR	02.09.2022	02.09.2027	10,00%	225 050	-
AVENTUS FINANCE LLC	RUR	03.11.2022	03.11.2027	10,00%	64 300	-
AVENTUS FINANCE LLC	RUR	03.11.2022	03.11.2027	10,00%	64 300	-
AVENTUS FINANCE LLC	RUR	07.10.2022	07.10.2027	10,00%	96 450	-
AVENTUS FINANCE LLC	RUR	12.12.2022	12.12.2027	10,00%	52 405	-
AVENTUS FINANCE LLC	RUR	15.12.2022	15.12.2027	10,00%	98 701	-
AVENTUS FINANCE LLC	RUR	17.06.2022	17.06.2027	10,00%	167 180	-
AVENTUS FINANCE LLC	RUR	17.06.2022	17.06.2027	10,00%	173 610	-
AVENTUS FINANCE LLC	RUR	17.06.2022	17.06.2027	10,00%	180 040	-
AVENTUS FINANCE LLC	RUR	18.07.2022	18.07.2027	10,00%	48 547	-
AVENTUS FINANCE LLC	RUR	19.10.2022	19.10.2027	10,00%	45 010	-
AVENTUS FINANCE LLC	RUR	24.11.2022	24.11.2027	10,00%	128 600	-
AVENTUS FINANCE LLC	RUR	29.06.2022	29.06.2027	10,00%	35 217	-
Total					1 726 202	1 738 691

Changes in liabilities arising from financing activities as of December 31, 2022

(in thousands of tenge)

Financial liabilities	December 31, 2021	Cash flows-received	Cash flows-paid out	Accrued remuneration	Exchange difference	Offsetting	December 31, 2022	
							Long-term part	Short-term part
Loans received from the founder	104 594	1 942 418	-	-	(320 810)	-	1 726 202	-
Loans received from related parties	-	31 194	(924 909)	-	(10 730)	942 456	-	38 011
Loans received from third parties	1 704 097	845 182	(1 609 867)	-	(36 808)	-	-	902 604
Accrued interest on loans	36 937	-	(313 784)	471 940	(10 037)	-	80 036	105 020
Total liabilities from financial activities	1 845 628	2 818 794	(2 848 560)	471 940	(378 385)	942 456	1 806 238	1 045 635

Changes in liabilities arising from financing activities as of December 31, 2021

(in thousands of tenge)

Financial liabilities	December 31, 2020	Cash flows-received	Cash flows-paid out	Accrued remuneration	Exchange difference	December 31, 2021	
						Long-term part	Short-term part
Loans received from the founder	-	122 422	(17 721)	-	(107)	104 594	-
Loans received from third parties	-	2 009 721	(263 500)	-	(42 124)	1 634 097	70 000
Accrued interest on loans	-	-	(66 276)	102 655	558	36 862	75
Total liabilities from financial activities	-	2 132 143	(347 497)	102 655	(41 673)	1 775 553	70 075

20. AUTHORIZED CAPITAL

As of December 31, 2022, the amount of the declared and paid authorized capital of the Company is 300,000 thousand tenge, as of December 31, 2021 – 100,000 thousand tenge.

Information on the composition of the Company's participants is presented in Note 1.

21. INTEREST INCOME USING THE EFFECTIVE INTEREST RATE

(in thousands of tenge)

	2022	2021 (restated)*
Interest on credits issued (Note 8)	8 664 608	1 814 340
Interest on loans issued (Note 9)	56 007	943
Remuneration on deposits placed	1 040	498
Total	8 721 655	1 815 781

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

22. INTEREST EXPENSES

(in thousands of tenge)

	2022	2021 (restated)*
Interest expenses on loans received from related parties (Note 13, 19)	83 580	848
Interest expenses on loans received from third parties (Note 13, 19)	388 360	101 807
Lease remuneration (Note 15)	737	-
Total	472 677	102 655

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.



23. INCOME FROM PENALTY

(in thousands of tenge)

	2022	2021 (restated)*
Income from penalties for violation of contract terms	555 061	68 917
Total	555 061	68 917

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

Income from penalty is recognized by the Company at the time of payment of fines and penalties for violation of the terms of the agreement by the borrowers.

24. OPERATING EXPENSES

(in thousands of tenge)

	2022	2021 (restated)*
Advertising services	999 988	265 943
Marketing services	125 062	53 212
Verification and scoring	298 563	63 438
Processing services	259 610	26 775
Agency services	374 128	61 947
Internet, communication and SMS services	35 020	107 794
Consulting costs	40 261	-
Collection services	28 051	-
Total	2 160 683	579 109

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

25. ADMINISTRATIVE EXPENSES

(in thousands of tenge)

	2022	2021 (restated)*
Labor costs	639 158	94 548
Deductions from wages	72 982	7 936
Expenses for accrued reserve for unused vacations of employees	28 630	8 696
Depreciation of property, plant and equipment and intangible assets	13 690	2 044
Rental expenses	44 167	3 956
Taxes and other payments to the budget	29 745	1 765
Banking services	14 074	11 921
Communication services and Internet	23 777	-
Information Services	142 399	90 293
Audit and consulting costs	3 500	622
Utilities	22 737	1 577
Business travel expenses	-	501
Material costs	81 764	319
Household expenses	3 216	-
Membership fee	442	-
Charity and sponsorship	19 758	-
other expenses	16 074	8 207
Total	1 156 113	232 385

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

26. OTHER INCOME/(EXPENSES)

(in thousands of tenge)

	2022	2021 (restated)*
Income from exchange rate differences, net	423 015	(94 299)
Income/(expenses) under agreements of assignment of rights of claim	46 822	-
Income/(expenses) from foreign exchange	(100 694)	7 222
Income / (expenses) from the sale of part of the loan portfolio, net	(1 327 631)	-
VAT not creditable	(98 173)	-
Loan adjustment	(45 631)	(105 266)
Other income/(expenses), net	(10 558)	(948)
Total	(1 112 850)	(193 291)



*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

27. INCOME TAX EXPENSES

In 2022 and 2021, the established corporate income tax rate for legal entities of the Republic of Kazakhstan was 20%. Income tax expense for the years ended December 31, 2022, and 2021 is compared to profit before tax in the statement of profit or loss and other comprehensive income as follows:

	December 31, 2022	(in thousands of tenge) December 31, 2021 (restated)*
Current income tax expenses	(436 728)	(22 380)
Corporate income tax withheld at source	(31 153)	(5 098)
Deferred income tax expense/(savings)	29 113	6 291
Total income tax expense/(savings)	(438 769)	(21 187)

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

Differences between IFRS and the tax legislation of the Republic of Kazakhstan give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their basis for calculating corporate income tax. The tax effect of the movements in these temporary differences is detailed below and is calculated at the tax rates applicable to the period when the claim is realized, or the liability is settled. According to the current tax legislation of the Republic of Kazakhstan, the current income tax rate is 20%.

Reconciliation of the amount of income tax expense with the estimated amount of tax:

	2022	(in thousands of tenge) 2021
Profit before tax	623 458	28 372
Fixed income tax rate	20%	20%
Estimated amount of tax at the fixed rate	(124 692)	(5 674)
Tax effect of non-deductible expenses and non-taxable income	(314 077)	(15 513)
Total income tax expenses	(438 769)	(21 187)

The calculation of deferred tax assets/ (liabilities) as of December 31, 2022 is as follows:

	As of December 31, 2021 (restated)*	Charged to profit/(loss) account	(in thousands of tenge) As of December 31, 2022
Taxable temporary differences:			
Property, plant and equipment, intangible assets	(3 237)	(5 409)	(8 646)
Deferred tax liabilities	(3 237)	(5 409)	(8 646)
Deductible temporary differences:			
Tax obligations	402	873	1 275
Remuneration payable	7 387	29 662	37 049
Liabilities for unused employee vacations	1 739	3 987	5 726
Deferred tax assets	9 528	34 522	44 050
Deferred tax assets/(liabilities)	6 291	29 113	35 404

*Certain amounts presented in this column are inconsistent with the 2021 financial statements as they reflect adjustments made, more fully disclosed in Note 6.

As of December 31, 2022, management assessed the recoverability of deferred taxes and concluded that the Company can recognize the deferred asset because it is probable that taxable income will be available that can be used to recover the asset.

The calculation of deferred tax assets/ (liabilities) as of December 31, 2021 is as follows:

	As of December 31, 2020	Charged to profit/(loss) account	(in thousands of tenge) As of December 31, 2021 (restated)*
Taxable temporary differences:			
Property, plant and equipment, intangible assets	-	(3 237)	(3 237)
Deferred tax liabilities	-	(3 237)	(3 237)
Deductible temporary differences:			
Tax obligations	-	402	402
Remuneration payable	-	7 387	7 387
Liabilities for unused employee vacations	-	1 739	1 739
Deferred tax assets	-	9 528	9 528
Deferred tax assets/(liabilities)	-	6 291	6 291

As of December 31, 2021, management assessed the recoverability of deferred taxes and concluded that the Company can recognize the deferred asset because it is probable that taxable income will be available that can be used to recover the asset.

28. RELATED PARTIES

Parties are considered related in cases where they are under common control, or where one party can control the other party or can significantly influence the other party in making financial or operating decisions. When considering each possible relationship with each related party, attention is paid to the economic content of the relationship, not only to its legal form.

Information on the composition of the Company's participants is presented in Note 1.

The main transactions with related parties as of December 31, 2022, are presented below:

(in thousands of tenge)

	Balance at the beginning of the reporting period - Accounts receivable (Accounts payable)	Materials supplied, services provided, loans received, etc.	Payment, other	Balance at the end of the reporting period - Accounts receivable (Accounts payable)	Description
AVENTUS FINANCE LLC	-	910 868	(39 744)	871 124	Loans issued
AVENTUS FINANCE LLC	(107 214)	(2 411 861)	712 837	(1 806 238)	Loans received
AVENTUS CAPITAL CJSC	-	(992 882)	954 871	(38 011)	Loans received
MICROCREDIT COMPANY "KVATRO" LLC	-	310 249	(306 208)	4 041	Assignment of rights of claims
MCC "KAPITAL-NT" LLC	-	383 797	(382 760)	1 037	Assignment of rights of claims
MCC "CAPPADOCIA" LLC	-	463 432	(440 896)	22 536	Assignment of rights of claims
Total	(107 214)	(1 336 397)	498 100	(945 511)	

The main transactions with related parties as of December 31, 2021, are presented below:

(in thousands of tenge)

	Balance at the beginning of the reporting period - Accounts receivable (Accounts payable)	Materials supplied, services provided, loans received, etc.	Payment, other	Balance at the end of the reporting period - Accounts receivable (Accounts payable)	Description
AVENTUS FINANCE LLC	-	(130 281)	23 067	(107 214)	Loans received
Total	-	(130 281)	23 067	(107 214)	

Management Remuneration

As of December 31, 2022, key management personnel consisted of 2 people (in 2021: 2 people). The remuneration paid to management for their participation in the work of the Company consists of short-term remuneration, including the salary specified in the contract.

The total amount of remuneration paid to management, reflected in the statement of profit or loss and other comprehensive income as administrative expenses, amounted to 40,336 thousand tenge for 2022 and 6,481 thousand tenge for 2021.

29. CONTINGENT LIABILITIES

Political and economic conditions in the Republic of Kazakhstan

The markets of developing countries, including Kazakhstan, are exposed to economic, political, social, and legal and legislative risks that are different from risks inherent in more developed countries. The laws and regulations governing the conduct of business in Kazakhstan are subject to quick changes, there is the possibility of their arbitrary interpretation. The future development direction of Kazakhstan is heavily dependent on the fiscal and monetary policies adopted by the government, the laws, and regulations as well as changes in the political situation in the country.

Financial condition and future operations of the Company may be adversely affected by continuing economic problems inherent in developing the country, and the consumer and business loans growth rates. The Company management cannot predict either extent or duration of the economic difficulties and cannot assess their impact, if any, on the financial performance of the Company.

Lawsuits

From time to time in the Company's course of business, customers and counterparties may bring claims against the Company. Management believes that the Company will not incur substantial losses from such claims.

Taxation

Kazakhstan's tax laws and regulations allow for different interpretations. There is a risk of making arbitrary judgments in respect to business operations by tax authorities. If the tax authorities challenge management's judgments concerning business operations of the Company, there may be arise additional taxes, penalties, and interest. Tax authorities can inspect tax reports for the last five years. However, the tax inspection conducted does not guarantee that the higher tax authority will not carry out a tax inspection once again. In addition, according to the clarifications of judicial authorities, the period which can be inspected in terms of tax reports may be extended, if the court finds that there were obstructions to the inspection by the tax authorities.

The Company's management believes that its interpretation of tax legislation is appropriate and that the Company has admissible grounds for its tax position.

30. EQUITY MANAGEMENT

Prudential Compliance Information

A Company, being a microfinance organization, must comply with the requirements of the National Bank of the Republic of Kazakhstan to comply with the minimum amount of equity and authorized capital, equity adequacy (k1), maximum risk per borrower (k2) and leverage ratio (k3).

As of December 31, 2022, the Company complied with all requirements:

The size of the Company's authorized capital is 300,000 thousand tenge, with a minimum allowable amount of 100,000 thousand tenge.

The Company's equity capital is 1,871,282 thousand tenge, with a minimum allowable amount of 100,000 thousand tenge.

The equity adequacy ratio k1 is 0.45, with a minimum acceptable value of 0.100.

The risk coefficient per borrower k2 is 0 with a maximum allowable value of 0.250.

The leverage ratio k3 is 1.94, with a maximum allowable value of 10,000.

31. FAIR VALUE AND RISK MANAGEMENT POLICIES

Fair value

The Company believes that the carrying amounts of financial assets and liabilities at the reporting date are a reasonable approximation of fair values.

Risk Management

The financial and economic activities of the Company are subject to various risks inherent in entrepreneurial activity in Kazakhstan: these risks arise under the influence of such objective factors as economic conditions, changes in tax legislation and other regulatory legal acts of the Republic of Kazakhstan, but the Company's management manages and monitors all fluctuations in risks, to minimize their impact on the financial results of their activities.

The main risks inherent in the Company's activities are risks associated with liquidity, credit risks and currency risks that arise for the Company during its activities. Below are descriptions of the Company's policy in relation to the management of these risks.

Credit Risk

The Company assumes credit risk, namely the risk that the borrower will not be able to repay the debt in full when due. When performing transactions that carry credit risk, restrictions on credit risk are established in the form of establishing limits on borrowers/credit products.

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

Credit risk management objectives:

- Analysis and assessment of credit risks;
- Determination of the magnitude of risks;
- Credit risk management;
- Monitoring the effectiveness of credit risk management.

Definition of Default

The Company considers a financial instrument to be in default and therefore classifies it as Stage 3 (credit-impaired assets) for purposes of calculating ECL whenever the borrower is 90 days past due on contractual payments.

As part of its qualitative assessment of whether a customer is in default, the Company also considers a number of events that may indicate that payment is unlikely.

Such events include the following:

- The Borrower requests emergency financing from the Company;
- Death of the borrower;
- The debtor has filed for bankruptcy or declared bankruptcy.

Amount at Risk of Default

The amount at risk of default (EAD) is the gross carrying amount of financial instruments being assessed for impairment and reflects both the customer's ability to increase its debt as it approaches default and the possibility of prepayment. To calculate EAD for Stage 1 loans, the Company estimates the probability of default within 12 months to estimate 12-month ECL. For other stages and assets, EAD is considered for events that are likely to occur throughout the life of the financial instrument.

The following is an analysis of financial assets and liabilities grouped by exposure to credit risk and collateral remaining from the date of the statement of financial position to the date of payment of the liability.

	Note	(in thousands of tenge)	
		Total maximum risk amount as of December 31, 2022	as of December 31, 2021 (restated)*
Cash	7	667 321	194 874
Credits to the clients	8	1 979 210	1 868 982
Loans issued	9	1 071 381	-
Other receivables	10	214 759	-
Total credit risk		3 932 671	2 063 856

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to fulfill its payment obligations when they fall due under normal or unexpected conditions.

Information on the maturity of the Company's financial assets and financial liabilities based on contractual undiscounted payments is presented below:

December 31, 2022	(in thousands of tenge)					
	On-demand	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Total
FINANCIAL ASSETS:						
Cash	667 321	-	-	-	-	667 321
Credits to the clients	-	767 801	1 211 409	-	-	1 979 210
Loans issued	-	-	-	1 071 381	-	1 071 381
Other receivables	-	-	-	214 759	-	214 759
	667 321	767 801	1 211 409	1 286 140	-	3 932 671
FINANCIAL LIABILITIES:						
Financial liabilities	-	-	-	(1 045 635)	(1 806 238)	(2 851 873)
Trade accounts payable	-	(171 707)	-	-	-	(171 707)
Vehicle leasing liability	-	-	-	(3 622)	(8 348)	(11 970)
	-	(171 707)	-	(1 049 257)	(1 814 586)	(3 035 550)
Net position	667 321	596 094	1 211 409	236 883	(1 814 586)	897 121

December 31, 2021 (restated)	(in thousands of tenge)				
	On-demand	Less than 1 month	From 1 to 3 months	From 1 to 5 years	Total
FINANCIAL ASSETS:					
Cash	194 874	-	-	-	194 874
Credits to the clients	-	867 567	1 001 415	-	1 868 982
	194 874	867 567	1 001 415	-	2 063 856
FINANCIAL LIABILITIES:					
Financial liabilities	-	-	(70 075)	(1 775 553)	(1 845 628)
Trade accounts payable	-	(72 102)	-	-	(72 102)
	-	(72 102)	(70 075)	(1 775 553)	(1 917 730)
Net position	194 874	795 465	931 340	(1 775 553)	146 126

Market Risk

Market risk - the probability of losses associated with unfavorable movements in financial markets (due to changes in the market value of financial instruments, interest rates, foreign exchange rates, precious metals). The Company manages market risk through periodic estimation of potential losses that may arise due to adverse changes in market conditions. Market risks include currency, other price, and interest rate risks:

Currency Risk

Currency risk is the risk associated with the fact that the financial instruments are subject to fluctuations due to changes in exchange rates. The Company is exposed to this risk as it has financial liabilities in foreign currency.

December 31, 2022	(in thousands of tenge)				
	Tenge	Euro	Russian ruble	US Dollar	Total
FINANCIAL ASSETS:					
Cash	621 834	12 848	32 639	-	667 321
Credits to the clients	1 979 210	-	-	-	1 979 210
Loans issued	80 549	990 832	-	-	1 071 381
Other receivables	187 145	-	27 614	-	214 759
	2 868 738	1 003 680	60 253	-	3 932 671
FINANCIAL LIABILITIES:					
Financial liabilities	(8 400)	(1 421 176)	(1 422 297)	-	(2 851 873)
Trade accounts payable	(134 488)	(29 308)	(2 634)	(5 277)	(171 707)
Vehicle leasing liability	(11 970)	-	-	-	(11 970)
	(154 858)	(1 450 484)	(1 424 931)	(5 277)	(3 035 550)
Net position	2 713 880	(446 804)	(1 364 678)	(5 277)	897 121

December 31, 2021 (restated)	(in thousands of tenge)			
	Tenge	Euro	Russian ruble	Total
FINANCIAL ASSETS:				
Cash	194 874	-	-	194 874
Credits to the clients	1 868 982	-	-	1 868 982
	2 063 856	-	-	2 063 856
FINANCIAL LIABILITIES:				
Financial liabilities	(70 075)	(1 775 553)	-	(1 845 628)
Trade accounts payable	(26 168)	(27 678)	(18 256)	(72 102)
	(96 243)	(1 803 231)	(18 256)	(1 917 730)
Net position	1 967 613	(1 803 231)	(18 256)	146 126

Sensitivity Analysis

The main cash flows of the Company are generated primarily in tenge and US dollars. As a result, future fluctuations in the tenge exchange rate against foreign currencies may affect the carrying value of the Company's monetary assets and liabilities denominated in foreign currencies.

Currency	Change in exchange rate, %	Impact on profit before tax	
		2022	2021
		(in thousands of tenge)	
Euro	20%	(89 361)	(360 646)
	-20%	89 361	360 646
Russian ruble	20%	(1 055)	(3 651)
	-20%	1 055	3 651

Risk of changes in interest rates

The Company is not exposed to this risk since the borrowed funds have a fixed interest rate.

Other price risk

The Company does not have financial instruments whose value depends on changes in market prices. The Company is not exposed to this risk.

Operating Risk

Operating risk is the risk arising from system failure, personnel errors, fraud, or external events. When a control system fails to perform, operating risks can cause damage to reputation, have legal implications or lead to financial losses. The Company cannot make an assumption that all operating risks are eliminated, but through a control system and by monitoring and appropriately responding to potential risks, the Company can manage the risks. The control system includes effective segregation of duties, rights of access, authorization and reconciliation procedures, staff training and assessment procedures.

32. SUBSEQUENT EVENTS

In the context of the geopolitical situation that has developed around the situation with Ukraine, EU member states and other countries have introduced several packages of sanctions against Russia. The restrictions affected the Central Bank of Russia and major Russian banks, as well as several sectors of the Russian economy. The economy of Kazakhstan is tied to the Russian economy through close relationships in trade. Russia is the largest importer for Kazakhstan with a share of almost 42.1% of total imports.

As a result, financial markets are experiencing serious volatility. The situation had a particularly negative impact on the foreign exchange market. The press service of the National Bank of the Republic of Kazakhstan reported that the situation in the world financial markets continues to be extremely unstable. Increased expectations of the inability to quickly resolve the conflict in Europe have a multidirectional effect on commodity, currency, and stock markets. The National Bank of the Republic of Kazakhstan has taken several prompt measures to offset the pressure of negative shocks on the financial and foreign exchange markets of the country. In particular, against the backdrop of a sharply increased volatility, in order to avoid destabilization of the situation in the domestic foreign exchange market, the National Bank of the Republic of Kazakhstan conducted some foreign exchange interventions during trading. It is worth noting that the measures are carried out within the framework of the principles of a floating exchange rate. The tenge exchange rate will be formed under the influence of fundamental factors, while in the short term tenge volatility will depend on sanctions rhetoric, expectations of domestic participants and dynamics in world markets. On August 25, 2023, the National Bank of the Republic of Kazakhstan made a decision to decrease the base rate to 16.5%, the base rate was increased in October 2022 from 16% to 16.75%.

Since anti-Russian sanctions are still in place and the geopolitical situation is generally unstable, it is extremely difficult to predict the full extent and duration of their impact on the Company's business. In general, a prudent monetary policy pursued by the Government of Kazakhstan within the framework of inflation targeting can effectively prevent the spread of the consequences of an external shock to the country's economy and ensure the protection of tenge assets.

There were no other events that occurred after the reporting date before the date of approval of the financial statements that require adjustment or disclosure in the notes to the financial statements in the Company.

33. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the management of the Company and authorized for release on August 31, 2023.