



Financial Statements 2023

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

Financial Statements

For the year ended December 31, 2023

and Independent Auditors’ Report

Almaty, 2024

MFO "Credit365 Kazakhstan" LLP:

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**«ALMIR CONSULTING»
жауапкершілігі шектеулі
серіктесті**

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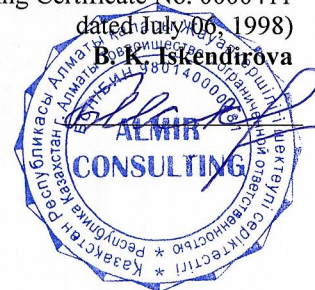
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“Approved”

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

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

В.К. Iskenderova



To the Participant of MFO “Credit365 Kazakhstan” LLP

INDEPENDENT AUDITORS’ REPORT

Audit Opinion

We have audited the financial statements of MFO Credit365 Kazakhstan LLP, consisting of the statement of financial position as of December 31, 2023, 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 (hereinafter “the Company”), as of December 31, 2023, 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.

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.

Auditor of

ALMIR CONSULTING LLP
Auditor Qualifying Certificate
No. 0000727 dated January 31, 2019
May 27, 2024, Almaty



A. K. Nurkaliyeva

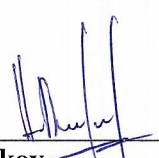
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023

	Note	December 31, 2023	(in thousands of tenge) December 31, 2022
ASSETS			
Short-term assets			
Cash	7	767 578	667 321
Micocredits to the clients	8	2 009 999	1 979 210
Loans issued	9	3 923 132	1 071 381
Short-term receivables	10	412 106	214 759
Corporate income tax		6 113	-
Other current assets	11	191 086	84 028
Total short-term assets		7 310 014	4 016 699
Long-term assets			
Loans issued	9	1 449 000	-
Long-term financial assets at fair value through other comprehensive income	12	30 100	-
Property, plant and equipment and other non-current assets	13	282 505	67 902
Deferred tax assets	28	18 665	35 404
Total long-term assets		1 780 270	103 306
Total assets		9 090 284	4 120 005
LIABILITIES			
Short-term liabilities			
Short-term financial liabilities	14	8	1 045 635
Trade accounts payable	15	243 587	171 707
Short-term lease liabilities	16	74 975	11 970
Obligations for taxes and other obligatory payments to the budget	17	319 718	526 588
Reserve for unused vacations of employees	18	63 050	28 630
Other short-term liabilities	19	50 522	37 363
Total short-term liabilities		751 860	1 821 893
Long-term liabilities			
Long-term financial liabilities	20	5 341 650	1 806 238
Long-term lease liabilities	16	133 593	-
Total long-term liabilities		5 475 243	1 806 238
Total liabilities:		6 227 103	3 628 131
EQUITY			
Authorized capital	21	300 000	300 000
Retained earnings		2 563 181	191 874
Total equity		2 863 181	491 874
Total liabilities and equity		9 090 284	4 120 005


M.S. Issabayev
General Director

May 27, 2024




A.U. Rysbekov
Chief Accountant

May 27, 2024

The notes on pages 10 to 41 are an integral part of these financial statements.

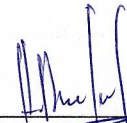


STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

	Authorized capital	Retained earnings	(in thousands of tenge) Total equity
Balance as of December 31, 2021	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
Comprehensive income for the year	-	2 371 307	2 371 307
Balance as of December 31, 2023	300 000	2 563 181	2 863 181


M.S. Issabayev
General Director
 May 27, 2024




A.U. Rysbekov
Chief Accountant
 May 27, 2024

The notes on pages 10 to 41 are an integral part of these financial statements.



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

(in thousands of
tenge)

	2023	2022
I. Cash flows from operating activities		
1. Cash inflow, total, including:	61 588 556	29 804 767
Repayment of microcredits issued	45 149 110	19 774 401
Interest received on microcredits issued	12 906 668	8 476 482
Sale of part of the loan portfolio	2 292 604	994 369
Loan repayment from employees	46 594	3 200
Interest received on bank deposits	17 094	960
Penalties and fines received	1 153 054	555 061
Advances received	1 616	130
Other supply	21 816	164
2. Cash outflow, total, including:	(60 249 217)	(28 527 446)
Issuance of microcredits	(51 352 892)	(25 119 040)
Salary payments	(945 294)	(493 031)
Loans issued to employees	(84 432)	(34 450)
Payments to suppliers for goods and services	(5 492 456)	(1 661 183)
Payments under agreements of assignment of rights of claims	-	(22 912)
Payments to the budget	(2 307 631)	(312 019)
Return / (deposit) of funds to a bank deposit account	-	70 000
Advances issued	(60 164)	(916 414)
Other payments	(6 348)	(38 397)
3. Net cash from operating activities	1 339 339	1 277 321
II. Cash flows from investment activities		
1. 1.Cash inflow, total	2 444 324	65 145
Interest received from loans issued	88 006	65 145
Repayment of loans issued	2 356 318	-
2. Cash outflow, total	(2 334 270)	(1 149 426)
Contribution to the authorized capital of subsidiaries	(30 100)	-
Loans issued	(2 252 096)	(1 102 561)
Acquisition of property, plant and equipment	(52 074)	(46 865)
3. Net cash from investment activities	110 054	(1 084 281)
III. Cash flows from financial activities		
1. Cash inflow, total	9 033 468	3 018 794
Contribution to the authorized capital	-	200 000
Loans received	9 033 468	2 818 794
2. Cash outflow, total	(10 347 464)	(2 849 918)
Repayment of loans and interest on them	(10 289 897)	(2 848 560)
Repayment of lease payments and rent	(57 567)	(1 358)
3. Net cash from financial activities	(1 313 996)	168 876
Net changes in cash	135 397	361 916
<i>Impact of currency exchange rates to tenge</i>	<i>(1 251)</i>	<i>110 531</i>
<i>Impact of the provision for expected credit losses</i>	<i>(33 889)</i>	<i>-</i>
Cash at the beginning of the reporting period	667 321	194 874
Cash at the end of the reporting period	767 578	667 321

During 2023, the following transactions took place without the participation of cash:

- repayment of loans issued (Note 9) and financial liabilities of the Company (Note 20) in the amount of 5,095,923 thousand tenge and 5,143,616 thousand tenge, respectively, were made through offset transactions.

M.S. Issabayev
General Director

May 27, 2024



A.U. Rysbekov
Chief Accountant

May 27, 2024

The notes on pages 10 to 41 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., Almaly district, Almaty, Republic of Kazakhstan.

Principal Activity

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

As of December 31, 2023 and 2022, the Company does not have branches or representative offices.

The average number of employees of the Company as of December 31, 2023 is 219 people, as of December 31, 2022 - 197 people.

Participant

As of December 31, 2023 and 2022, the Company's participant is the following legal entity – a resident of the Russian Federation:

Participant	December 31, 2023		December 31, 2022	
	participation share		participation share	
	in thousands of tenge	%	in thousands of tenge	%
AVENTUS FINANCE LLC	300 000	100	300 000	100

As of December 31, 2023 and 2022, 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.

The Company's responsible persons for the financial statements are:

General Director – M.S. Issabayev;

Chief Accountant – A.U. Rysbekov.

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").

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.

Conditions for carrying out financial and economic activities in the Republic of Kazakhstan

The Company operates primarily in Kazakhstan. As a result, it is exposed to economic and financial risks in the markets of Kazakhstan, which exhibit characteristics inherent in emerging markets. The regulatory framework and

tax laws continue to evolve, but are subject to varying interpretations and frequent changes, which, when combined with other weaknesses in the legal and fiscal systems, create additional difficulties for businesses operating in Kazakhstan.

In addition, the recent significant depreciation of the Kazakhstani tenge has led to an increased level of uncertainty in the business environment.

The accompanying financial statements reflect the Company's management's assessment of the possible impact of the existing conditions of financial and economic activities on the results of operations and its financial position. Subsequent developments in the conditions for carrying out financial and business activities may differ from management's assessment.

3. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

A number of new standards and amendments to existing standards came into force for annual reporting periods beginning on January 1, 2023. The requirements of these standards and amendments to existing standards have been considered in preparing these financial statements.

IFRS 17 - Insurance Contracts

In May 2017, the IASB released IFRS 17 *Insurance Contracts*, a new financial reporting standard for insurance contracts that addresses recognition and measurement, presentation, and disclosure. IFRS 17 applies to all types of insurance contracts, regardless of the type of entity that issues them, and to certain guarantees and financial instruments with discretionary participation features. There are several exceptions to the scope. The main objective of IFRS 17 is to provide an accounting model for insurance contracts that is more efficient and consistent for insurers. Unlike the requirements of IFRS 4, which are primarily based on previous local accounting policies, IFRS 17 provides a comprehensive model for accounting for insurance contracts, covering all relevant aspects of accounting. IFRS 17 is effective for accounting periods beginning on or after January 1, 2023. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date of first application of IFRS 17.

This standard is not applicable to the Company.

Amendments to IAS 1 and IFRS Practice Statement 2 on the Application of IFRS – Disclosure of Accounting Policies

The amendments and recommendations provide guidance and examples to assist entities in making materiality judgments when disclosing accounting policies. The amendments should help entities disclose more useful accounting policies by changing the requirement for entities to disclose “significant accounting policies” to requiring entities to disclose “significant information” about accounting policies, and management's view on how entities should apply materiality when adopting decisions on disclosure of information about accounting policies.

The amendments have been taken into account when disclosing accounting policies in these financial statements of the Company.

Amendments to IAS 8 – Definition of Accounting Estimates

The amendments introduced a definition of “accounting estimates” and also clarified the difference between changes in accounting estimates and changes in accounting policies and corrections of errors, and how entities use measurement methods and inputs to develop accounting estimates.

The amendments had no impact on these financial statements of the Company.

Amendments to IAS 12 – “Deferred tax associated with assets and liabilities that arise as a result of a single transaction”

The amendments reduced the scope of the exemption from recognizing deferred tax assets and deferred tax liabilities upon initial recognition. It no longer applies to transactions in which equal amounts of deductible and chargeable temporary differences arise at initial recognition, such as leases and decommissioning obligations.

The amendments had no impact on these financial statements of the Company.

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

The amendments provide for a mandatory temporary exclusion from deferred tax accounting under such tax laws.

The amendments had no impact on these financial statements of the Company.

Standards and amendments that have been issued but not yet effective

The following are standards and amendments that have been issued but are not yet effective at the date of issue of the Company's financial statements. The Company did not apply these standards and amendments early.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current», enters into force on January 1, 2024, early application is allowed;

Amendments to IAS 1 – "Long-term liabilities with covenants" enters into force on January 1, 2024, early application is allowed;

Amendments to IAS 16 – Sale and Leaseback Lease Liabilities enters into force on January 1, 2024, early application is allowed;

Amendments to IAS 7 and IFRS 7 – "Disclosure: Supplier Financing Agreement" enters into force on January 1, 2024, early application is allowed;

Amendments to IAS 12 – "Limitations on Currency Convertibility" enters into force on January 1, 2025, early allocation is allowed;

The Company's management is currently evaluating the issued amendments to the financial statements and results of operations and expects that the adoption of the amendments listed above will not have a material effect on the Company's financial statements and financial position in the period when they are first adopted.

4. 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 non-current.

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

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in an obligatory market at the measurement date under current market conditions, whether that price is directly observable or estimated using another assessment method.

The Company must have access to the main or most favorable market. The fair value of an asset or liability is measured using the assumptions that market participants would use in determining the price of the asset or liability, assuming that market participants are acting in their best interests. The measurement of the fair value of a non-financial asset takes into account the ability of market participants to generate economic benefits from using the asset in its best and most efficient manner or from selling it to another market participant that will use the asset in its best and most efficient manner.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to estimate fair value, while making maximum use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Quoted market prices in an active market for identical assets or liabilities (without any adjustments);
- Level 2 - Valuation models in which inputs relevant to the measurement of fair value, are directly or indirectly observable in the market;
- Level 3 - Valuation models in which inputs relevant to the measurement of fair value, at the lowest level of the hierarchy, are not observable in the market.

For assets and liabilities that are recognized in the financial statements on a periodic basis, the Company determines whether there has been a transfer between levels of the hierarchy by re-evaluating the classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Financial Assets

The Company recognizes a financial asset in the statement of financial position only when it becomes a party to a contract in relation to the financial instrument. Upon initial recognition, financial assets are measured at fair value, which is usually the transaction price, i.e. fair value of remuneration paid or received.

The Company classifies financial assets based on the business model the Company uses to manage the financial assets and the characteristics of the financial asset that relate to the contractual cash flows.

The Company uses two business models to manage financial assets:

- A business model, the objective of which is to retain assets in order to receive contractual cash flows, according to which the Company takes into account cash, microcredits and loans issued, accounts receivable and other assets.
- A business model, the objective of which is achieved both through the receipt of contractual cash flows and through the sale of financial assets, in accordance with which the Company accounts for financial instruments in the form of investments in the equity of other legal entities.

The business model, whose objective is to hold assets to collect contractual cash flows, provides for the recording of financial assets at amortized cost. The business model that achieves its objective by both collecting contractual cash flows and selling financial assets requires financial assets to be measured at fair value through other comprehensive income.

Reclassification

The classification of financial assets does not change after initial recognition except in the period subsequent to the Company changing its business model for managing financial assets.

Impairment of Financial Assets

The Company recognizes a provision for expected credit losses on financial instruments measured at amortized cost.

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).

Estimations 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.

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 scoring 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.

The Company applies practical expedients in calculating expected credit losses for other receivables. These simplifications are expressed in the application of the matrix of estimated reserves developed by the Company. The Company recognizes a provision for expected credit losses on other receivables in an amount equal to lifetime expected credit losses.

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 30 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.



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. Upon initial recognition, financial liabilities are measured at fair value, which is usually the transaction price, i.e. fair value of remuneration paid or received.

Subsequently, the Company classifies financial liabilities as measured at amortized cost.

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

Loans Attracted

Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest method. Expenses on such financial liabilities are recognized as interest expense using the effective interest rate.

Accounts Payable and Other Liabilities

Accounts payable and other liabilities refer to the Company's obligations as a result of various transactions and are the legal basis for subsequent payments for goods, work performed and services provided. Liabilities are measured by the amount of cash needed to pay the debt. Accounts payable are taken into account from the moment of their formation and are listed until repayment.

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

A financial liability is derecognized in the statement of financial position when the liability is extinguished, canceled or expires.

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.

Cash

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

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, (number of 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.

Impairment of Non-financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired by testing whether there is any indication that the carrying amount of the asset is impaired. If such indications exist, the Company estimates the asset's recoverable amount and compares it with its carrying amount. The recoverable amount of an asset is the higher of the asset's or cash-generating unit's fair value less costs to sell or value in use, and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of its cash inflows, generated by other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its value is written down to its recoverable amount. The impairment loss is expensed in the statement of profit or loss and other comprehensive income or in other comprehensive income (for revalued assets within the revaluation reserve).

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.

Right-of-use Assets

The Company recognizes right-of-use assets at the lease commencement date (ie, the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for revaluation of lease liabilities.

The cost of a right-of-use asset includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made on or before the lease commencement date, less any lease incentive payments received. If the Company is not reasonably certain that it will obtain title to the leased asset at the end of the lease term, the recognized right-of-use asset is amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Right-of-use assets are reviewed for impairment.

Lease Liabilities

At the lease commencement date, the Company recognizes lease liabilities that are measured at the present value of lease payments that will be made over the lease term. Lease payments include fixed payments less any lease incentive payments receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Company is reasonably certain to exercise the option and lease termination penalties if the lease term reflects the Company's potential exercise of the lease termination option. Variable lease payments, which do not depend on an index or rate, are recognized as an expense in the period in which the event or condition that gives rise to such payments occurs.

To calculate the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease cannot be readily determined.

After the lease commencement date, the lease liability is increased to reflect accrued interest and decreased to reflect lease payments made. In addition, the carrying amount of lease liabilities is remeasured when there is a modification, a change in the lease term, a change in substantive fixed lease payments or a change in the valuation of an option to purchase the underlying asset.

Operating Lease

Lease payments under operating leases are expensed on a straight-line basis over the lease term and included in other operating expenses.

Leasing

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

Initial recognition is carried out on the date of signing the transfer and acceptance act of the leased asset with the lessor. Initial direct costs associated with the acquisition of the leased asset are included in the initial measurement of 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 finance 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 was initially recognized.

Taxation

Income tax includes current and deferred taxes. Income taxes are recognized in profit (loss) unless they relate to items recognized directly in equity or other comprehensive income. In these cases, it is recognized in equity or other comprehensive income. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's income tax expense for the current year is calculated using tax rates in effect at the date of the financial statements.

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.

A deferred tax is determined using the liability method, taking into account temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and the amounts used for tax purposes. The calculation of deferred tax is based on the expected manner in which the carrying amount of assets or liabilities will be realized or settled using tax rates enacted 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 operating expenses in the statement of profit or loss and other comprehensive income of the Company for the reporting year.

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 microcredits issued are recorded as an adjustment to the effective interest rate on borrowings. If it is probable that a microcredit agreement will be entered into as a result of the commitment to provide a microcredit, 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.

Income from penalties (fines) on microcredits issued is recognized as part of the Company’s other income in the statement of profit or loss and other comprehensive income as received.

The Company's income is:

- income from principal activities (interest income on issued microcredits and loans and other interest income);
- income from non-principal activities (income from penalties (fine) on microcredits issued, income from exchange rate differences, 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 no 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:

	December 31, 2023	December 31, 2022
Tenge/1 US Dollar	454,56	462,65
Tenge /1 Euro	502,24	492,86
Tenge /1 Russian ruble	5,06	6,43

Estimated Liabilities, Contingent Assets and Contingent Liabilities

Estimated liabilities 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.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Company's accounting policies, management must use judgment, make estimates and make assumptions regarding the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are based on historical experience and other factors considered appropriate in the circumstances. Actual results may differ from these estimates.

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

The significant assumptions and estimates that management has used in applying the Company's accounting policies are listed below.

Expected credit losses on financial assets

Estimating losses under IFRS 9 for all categories of financial assets requires the exercise of judgment, in particular, when determining expected credit impairment losses and assessing significant increases in credit risk, it is necessary to estimate the amount and timing of future cash flows, and the value of collateral. These estimates depend on a number of factors, changes in which could result in different impairment allowance amounts. The Company's expected credit loss calculations are the result of complex models that include a number of underlying assumptions regarding the selection of input variables and their interdependencies.

Elements of expected credit loss models that are considered judgments and estimates include the following:

- the criteria used by the Company to assess whether there has been a significant increase in credit risk such that the allowance for impairment on financial assets should be measured at an amount equal to lifetime expected credit losses and a qualitative assessment;
- aggregation of financial assets when their expected credit losses are assessed on a group basis;
- development of models for calculating expected credit losses, including various formulas and selection of input data;
- determination of probability of default (PD), exposure to default (EAD) and loss given default (LGD);

Additional information is provided in Notes 7, 8, 9.

Useful Life of Property, Plant and Equipment and Other Non-current Assets

The estimated useful lives of property, plant and equipment and other non-current assets are reviewed annually taking into account the effects of changes in estimates on a prospective basis. The changes are accounted for as changes in accounting estimates in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Note 13).

Impairment of Non-current Assets

The Company assesses all non-current assets at each reporting date to determine whether there are any indicators of impairment. Non-financial assets are tested for impairment when there is an indication that the carrying amount may not be recoverable. When calculating value in use, management estimates the expected future cash flows from the cash-generating asset or unit by selecting an appropriate discount rate to calculate the present value of those cash flows.

Leases

The Company defines the lease term as the non-cancellable period of the lease, together with periods subject to an option to extend the lease if there is reasonable certainty that it will be exercised, or periods subject to an option to terminate the lease, if there is reasonable certainty that it will not be executed.

The Company uses judgment to determine whether it is reasonably certain that it will exercise the extension option. In doing so, it takes into account all relevant factors that give rise to an economic incentive to exercise the option to renew the lease.

After the lease commencement date, the Company re-evaluates the lease term if a significant event or change in circumstances occurs that is within the Company's control and affects its ability to exercise (or not exercise) the option to renew the lease (for example, a change in business strategy) (Note 16).

Estimating the Impact of Deferred Income Taxes

At each reporting date, the Company's management determines the future impact of deferred income 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 (Note 28).

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

In preparing the financial statements for the year ended December 31, 2023, the Company's management decided to reclassify certain amounts in the statement of profit or loss and other comprehensive income for the year ended December 31, 2022 to change the presentation of various items to improve comparability for 2023 and 2022.

Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2022

(in thousands of
tenge)

	For 2022, before reclassification	Changes	For 2022, after reclassification
Income from penalties	555 061	(555 061)	-



Operating expenses	(2 160 683)	(814 594)	(2 975 277)
Operating profit	2 892 421	(1 369 655)	1 522 766
Administrative expenses	(1 156 113)	814 594	(341 519)
Other income/(expenses), net	(1 112 850)	555 061	(557 789)
Profit before tax	623 458	-	623 458

7. CASH

	(in thousands of tenge)	
	December 31, 2023	December 31, 2022
Cash in current bank accounts in tenge	118 172	216 531
Cash in current bank accounts in foreign currency	6 642	45 487
Cash in payment provider accounts	676 653	405 303
Provision for expected credit losses on funds held in payment provider accounts	(33 889)	-
Total	767 578	667 321

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

Cash in bank accounts:

	Rating			(in thousands of tenge)	
	2023	2022	Currenc y	December 31, 2023	December 31, 2022
Nurbank JSC			KZT	162	17 325
Nurbank JSC	B-/ Stable	B-/ Stable	EUR	2 167	-
Nurbank JSC			RUR	4 232	-
Halyk Bank of Kazakhstan JSC			KZT	117 896	199 206
Halyk Bank of Kazakhstan JSC	BB+/ Stable	B+/ Stable	EUR	-	12 848
Halyk Bank of Kazakhstan JSC			RUR	243	32 639
Eurasian Bank JSC	B1 / Positive	-	KZT	114	-
Total				124 814	262 018

Credit ratings of second-tier banks are presented in accordance with the standards of the Standard & Poor's rating agency or with similar standards of other international rating agencies.

As of December 31, 2023, the Company considers funds in current bank accounts as not impaired, since, according to international rating agencies, the banks in which the Company's current accounts are opened have high ratings.

Cash in payment provider accounts

	(in thousands of tenge)	
	December 31, 2023	December 31, 2022
QIWI Kazakhstan LLP	53	26 921
Freedom Pay	-	246 824
Halyk Bank of Kazakhstan JSC	49 817	14 682
CNP Processing GmbH	-	104 992
Astana-Plat LLP	-	11 884
PAYDALA LLP	6 637	-
FFIN Payments LLP	563 672	-
New Pay LLP	56 474	-
Total	676 653	405 303

As of December 31, 2023, cash in payment providers account are also considered by the Company as not impaired since payment providers demonstrate financial stability. However, the Company's management decided to accrue provisions for expected credit losses in the amount of 5% on cash balances on providers' accounts in accordance with the risk assessment policy adopted by the Company.



Movement of the provision for expected credit losses on cash in payment providers account

	(in thousands of tenge)	
	2023	2022
At the beginning of the period	-	-
Accrual expenses	(33 889)	-
At the end of the period	(33 889)	-

8. MICROCREDITS TO THE CLIENTS

	(in thousands of tenge)	
	December 31, 2023	December 31, 2022
Short-term microcredits provided to clients	1 741 978	2 869 129
Overdue debt on microcredits provided	4 677 452	2 647 549
Short-term remuneration receivable	145 269	420 411
Overdue remuneration debt	587 725	541 942
Provisions for expected credit losses on microcredits	(5 142 425)	(4 499 821)
Total	2 009 999	1 979 210

The maximum microcredit amount is no more than 50 MCI. The weighted average interest rate as of December 31, 2023, was 0.99% per day (as of December 31, 2022: 0.99% per day).

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

Overdue debt on microcredits and on interest on them represents a failure to fulfill the obligations of borrowers on the principal amount of the debt and on interest, which exceeds 1 day.

As of December 31, 2023, the Company's microcredit portfolio consists of 105,225 units of unsecured microcredits issued to individuals (in 2022: 40,109 units), for a period of up to 20 days. The total portfolio size, considering the deduction of the provision for expected credit losses, amounted to 2,009,999 thousand tenge (in 2022: 1,979,210 thousand tenge).

During 2023, the Company sold to collection agencies a portion of microcredits and remunerations on them overdue for more than 90 days in the amount of 80,065 units for a total amount of 6,177,771 thousand tenge. The amount of compensation amounted to 2,517,565 thousand tenge. Losses from the sale of part of the loan portfolio in the amount of 3,660,206 thousand tenge are reflected as part of the Company's other expenses (Note 27).

The movement in the provision for expected credit losses on microcredits:

	(in thousands of tenge)	
	2023	2022
At the beginning of the period	(4 499 821)	(748 886)
Expenses for accrual of the reserve	(2 751 729)	(6 255 209)
Income from reserve restoration	2 008 527	2 504 274
Write-off of bad debts on microloans using accrued reserves	100 598	-
At the end of the period	(5 142 425)	(4 499 821)

Below is an analysis of the credit quality of loans issued as of December 31, 2023:

	(in thousands of tenge)			
	Stage 1	Stage 2	Stage 3	Total
Gross book value as of January 1, 2023	2 216 038	629 160	3 633 833	6 479 031
Newly created financial assets	51 352 892	-	-	51 352 892
Accrual of interest income	12 636 735	1 017 913	-	13 654 648
Assets that have been repaid	(58 055 778)	-	-	(58 055 778)
Assets that have been sold	-	-	(6 177 771)	(6 177 771)
Transfers to Stage 1	1 061 245	(1 061 245)	-	-
Transfers to Stage 2	(7 323 884)	7 323 884	-	-

Transfers to Stage 3	-	(7 236 730)	7 236 730	-
Write-off	-	-	(100 598)	(100 598)
Gross book value as of December 31, 2023	1 887 248	672 982	4 592 194	7 152 424

	Stage 1	Stage 2	Stage 3	Total
Provision for ECL as of January 1, 2023	221 604	266 706	4 011 511	4 499 821
Newly created financial assets	6 020 711	95 774	-	6 116 485
Net change in provision for ECL	(99 851)	466 938	5 899 803	6 266 890
Assets that have been repaid	(5 462 402)	-	-	(5 462 402)
Assets that have been sold	-	-	(6 177 771)	(6 177 771)
Transfers to Stage 2	(502 492)	502 492	-	-
Transfers to Stage 3	-	(959 249)	959 249	-
Assets that have been written off	-	-	(100 598)	(100 598)
Provision for ECL as of December 31, 2023	177 570	372 661	4 592 194	5 142 425

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

	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
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

Information on changes in debt on microcredits issued in 2023

	December 31, 2022	Issued	Repaid	Sold	Written off	Remuneration accrued	December 31, 2023
Debt on the principal amount of microcredit	5 516 678	51 352 892	(45 149 110)	(5 205 640)	(95 390)	-	6 419 430
Remuneration debt	962 353	-	(12 906 668)	(972 131)	(5 208)	13 654 648	732 994
Total:	6 479 031	51 352 892	(58 055 778)	(6 177 771)	(100 598)	13 654 648	7 152 424

Information on changes in debt on microcredits issued in 2022

	December 31, 2021	Issued	Repaid	Sold	Written off	Remuneration accrued	(in thousands of tenge) December 31, 2022
Debt on the principal amount of microcredit	2 165 536	28 010 639	(22 615 938)	(1 995 322)	(48 237)	-	5 516 678
Remuneration debt	452 332	-	(7 645 635)	(508 952)	-	8 664 608	962 353
Total:	2 617 868	28 010 639	(30 261 573)	(2 504 274)	(48 237)	8 664 608	6 479 031

9. LOANS ISSUED

	December 31, 2023			(in thousands of tenge) December 31, 2023
	Short-term part	Long-term part	Total	Short-term part
Loan to a participant	3 382 396	-	3 382 396	837 862
Loan to other related parties	381 830	1 610 000	1 991 830	-
Loan to third parties	110 493	-	110 493	158 429
Loan to employees	50 629	-	50 629	30 550
Accrued remuneration	202 697	-	202 697	44 540
Provision for expected credit losses on loans issued	(204 913)	(161 000)	(365 913)	-
Total	3 923 132	1 449 000	5 372 132	1 071 381

Loan to a participant

During 2023, the Company, under agreements for the assignment of rights of claim, purchased from Aventus Capital CJSC (Lithuania) loans issued by AVENTUS FINANCE LLC (parent company) in the total amount of 14,952,783 Euros, part of which in the amount of 8,218,162 Euros repaid by AVENTUS FINANCE LLC. As of December 31, 2023, the principal balances on repurchased loans amounted to 6,734,621 Euros. The interest rate on purchased loans is 10.5% per annum. Maturity until the end of 2024. Income from contracts for the assignment of rights of claim amounted to 477,675 thousand tenge and is reflected in the Company's other income (Note 27).

Loan to other related parties

During 2023, the Company issued unsecured loans to One Credit LLP, which is under common control, in the total amount of 1,610,000 thousand tenge. Repayment terms are 5 years, interest rate is 19% per annum.

From July to November 2023, unsecured loans were issued to subsidiaries of CREDITO365, S.A.P.I.DE C.V. MX" and "OPERADORA FIJI S.A.P.I. DE C.V. SOF OME.N.R MX" in the total amount of 840,000 US dollars, repayment period until the end of July 2024, interest rate of 20% per annum.

Loan to third parties

On June 03, 2022, the Company issued a loan to 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 repayment period is until the end of 2024.

The movement in the provision for expected credit losses on loans issued

	2023	(in thousands of tenge) 2022
At the beginning of the period	-	-
Expenses for accrual of the reserve	(365 913)	-
At the end of the period	(365 913)	-

Information on changes in debt on loans issued in 2023

	(in thousands of tenge)									
	December 31, 2022	Issued	Repaid	Repaid through netting transactions	CIT withheld at source	Acquired under agreement of the assignment of the right of claims	Income from the assignment of the right of claims	Accrued remuneration	Changes in exchange rate	December 31, 2023
Debt on the principal amount of loans	1 026 841	2 252 096	(2 356 318)	(5 011 082)	-	9 078 998	477 616	-	67 197	5 535 348
Remuneration	44 540	-	(88 006)	(84 841)	(26 370)	-	59	356 693	622	202 697
Total:	1 071 381	2 252 096	(2 444 324)	(5 095 923)	(26 370)	9 078 998	477 675	356 693	67 819	5 738 045

Information on changes in debt on loans issued in 2022

	(in thousands of tenge)									
	December 31, 2021	Issued	Repaid through netting transactions	CIT withheld at source	Acquired under agreement of the assignment of the right of claims	Income from the assignment of the right of claims	Accrued remuneration	Changes in exchange rate	December 31, 2022	
Debt on the principal amount of loans	-	1 027 561	(5 011 082)	-	883 507	49 209	-	37 976	1 026 841	
Remuneration	-	-	(84 841)	(26 370)	-	-	117 697	(811)	44 540	
Total:	-	1 027 561	(5 095 923)	(26 370)	883 507	49 209	117 697	37 165	1 071 381	

10. SHORT-TERM RECEIVABLES

	(in thousands of tenge)	
	December 31, 2023	December 31, 2022
Accounts receivable under the agreement of assignment of the right of claim	-	27 614
Receivables from the sale of portfolios	412 106	187 145
Total	412 106	214 759

As of December 31, 2023, receivables from collection agencies from the sale of part of the loan portfolio amounted to 412,106 thousand tenge (in 2022: 187,145 thousand tenge) (Note 8).

11. OTHER CURRENT ASSETS

	(in thousands of tenge)	
	December 31, 2023	December 31, 2022
Advances paid for goods and services	90 055	29 891
Prepayment for insurance and subscription	4 040	5 177
Debt of employees on accountable amounts and advances issued	776	2 139
Inventories	-	34
Prepayment of taxes and other obligatory payments to the budget	96 215	46 787
Total	191 086	84 028

12. LONG-TERM FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As of December 31, 2023, long-term financial assets at fair value through other comprehensive income include interests in the authorized capital of the following legal entities:

(in thousands of
tenge)

	Participation share	Currency	December 31, 2023	December 31, 2022
CREDITO365, S.A.P.I.DE C.V. MX	99,95	USD	1 336	-
OPERADORA FIJI S.A.P.I. DE C.V. SOF OM E.N.R MX	99,50	USD	28 764	-
Total			30 100	-

In 2023, the Company contributed 30,100 thousand tenge to the authorized capital of legal entities "CREDITO365, S.A.P.I.DE C.V. MX" and "OPERADORA FIJI S.A.P.I. DE C.V. SOF OM E.N.R MX", registered in the United Mexican States in April and July 2023, respectively.

The principal activity of these legal entities is microcredit.

The Company does not control investees since the Company does not have the ability to influence income through the exercise of its powers in relation to investees.

The Company's management believes that the fair value of these investments at the end of 2023 is equal to their cost.

13. PROPERTY, PLANT AND EQUIPMENT AND OTHER NON-CURRENT ASSETS

	Vehicles	Computers and office equipment	Others	Right-of-use assets	Intangible assets (trademark)	Total
(in thousands of tenge)						
Original value						
As of December 31, 2021	-	15 398	3 368	-	-	18 766
Additions	17 990	38 522	8 343	-	15	64 870
As of December 31, 2022	17 990	53 920	11 711	-	15	83 636
Additions	-	41 514	10 560	230 694	-	282 768
As of December 31, 2023	17 990	95 434	22 271	230 694	15	366 404
Accumulated depreciation						
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)
Accrued depreciation	(2 099)	(22 367)	(5 250)	(38 449)	-	(68 165)
As of December 31, 2023	(2 249)	(35 480)	(7 721)	(38 449)	-	(83 899)
Book value:						
As of December 31, 2021	-	13 567	3 155	-	-	16 722
As of December 31, 2022	17 840	40 807	9 240	-	15	67 902
As of December 31, 2023	15 741	59 954	14 550	192 245	15	282 505

As of December 31, 2023, the Company's property, plant, and equipment have no signs of impairment and are not pledged with collateral obligations.

The Company rents office space and parking spaces. The lease is recognized by the Company as long-term and the financial statements for 2023 reflect lease liabilities (Note 16) and right-of-use assets.

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 to use a trademark does not have a specific period of use and is not subject to depreciation.



14. SHORT-TERM FINANCIAL LIABILITIES

(in thousands of tenge)

	December 31, 2023	December 31, 2022
Loans received from related legal entities	8	38 011
Loans received from third parties	-	902 604
Accrued interest on loans received from related legal entities	-	105 020
Total	8	1 045 635

Short-term financial liabilities are presented as follows:

(in thousands of tenge)

	Currency	Receiving date	Maturity date	Rate	December 31, 2023	December 31, 2022
MFO Kredit Seven Kazakhstan LLP	KZT	04.03.2022	31.12.2023	19,50%	-	8 400
UAB ALDEGA	EUR	13.04.2021	31.12.2023	19,50%	-	894 204
AVENTUS CAPITAL CJSC	EUR	28.12.2022	28.12.2023	10%	8	38 011
Total					8	940 615

15. TRADE ACCOUNTS PAYABLE

(in thousands of tenge)

	December 31, 2023	December 31, 2022
Verification and scoring services	19 452	42 595
Processing services	5 458	1 784
Advertising services	173 326	35 533
Consulting services	-	20 000
Marketing services	-	895
Agency services	7 900	54 050
Information services	7 990	-
License services	5 930	-
Communication services	6 997	-
Collection services	5 166	-
Other accounts payable	11 368	16 850
Total	243 587	171 707

16. LEASE LIABILITIES

(in thousands of tenge)

	December 31, 2023			December 31, 2022
	Short-term part	Long-term part	Total	Short-term part
Lease liabilities				
Car lease obligation	4 165	4 153	8 318	11 782
Leasing reward	133	-	133	188
Total lease liabilities	4 298	4 153	8 451	11 970
Lease obligations				
Obligations for rent of office and other assets	96 758	145 755	242 513	-
Rental discount	(26 081)	(16 315)	(42 396)	-
Total lease obligations	70 677	129 440	200 117	-
Total	74 975	133 593	208 568	11 970

Lease Liabilities

On August 27, 2022, a leasing agreement for 17,990 thousand tenge was signed between the Company and Halyk-Leasing JSC for a period until October 2025. The interest rate is 19% per annum, the subject of leasing is a Hyundai Santa Fe Prime car.

Lease Obligations

The Company recognized obligations under the lease agreement for office space and parking spaces, measured at the present value of lease payments that will be made during the lease term until the end of June 2026.

To discount rental payments, the weighted average rate for loans issued by second-tier banks was applied in the amount of 16.5% per annum, calculated by the National Bank of the Republic of Kazakhstan for the month corresponding to the concluded lease agreement.

Information on the movement of lease obligations for 2023:

	(in thousands of tenge)	
	2023	
	Short-term part	Long-term part
At the beginning of the period	-	-
Recognition of lease obligations	-	289 985
Transferring the principal debt to the short-term part	144 230	(144 230)
Recognition of VAT for offset	4 666	-
Repayment of obligations	(52 138)	-
Discount	(26 081)	(16 315)
<i>Discount recognition</i>	-	(59 291)
<i>Transferring the discount to the short-term part</i>	(42 976)	42 976
<i>Discount depreciation expense (Note 24)</i>	16 895	-
At the end of the period	70 677	129 440

The following is information on the cost of lease-related costs recognized in the statement of profit or loss and other comprehensive income:

	(in thousands of tenge)	
	2023	2022
Depreciation of right-of-use assets (Note 13)	38 449	-
Depreciation of discount on liabilities (Note 16)	16 895	-
Total	55 344	-

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

	(in thousands of tenge)	
	December 31, 2023	December 31, 2022
Corporate income tax payable	165 421	436 530
Corporate income tax payable for a non-resident	26 877	-
Value added tax	80 102	60 484
Social tax	10 105	6 368
Individual income tax	13 810	7 823
Medical insurance obligations	9 085	6 429
Pension obligations	13 531	8 947
Other taxes and obligatory payments	787	7
Total	319 718	526 588

18. RESERVE FOR UNUSED VACATION OF EMPLOYEES

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

	(in thousands of tenge)	
	2023	2022
Reserve at the beginning of the period	28 630	8 696
Accrued	55 369	28 630
Used	(20 949)	(8 696)
Reserve at the end of the period	63 050	28 630

19. OTHER SHORT-TERM LIABILITIES

	(in thousands of tenge)	
	December 31, 2023	December 31, 2022
Advances received	4 889	3 273
Wage arrears	41 338	33 842
Other current liabilities	4 295	248
Total	50 522	37 363

20. LONG-TERM FINANCIAL LIABILITIES

	(in thousands of tenge)	
	December 31, 2023	December 31, 2022
Loans received from the founder (Subordinated debt)	4 952 089	1 726 202
Accrued interest on loans	389 561	80 036
Total	5 341 650	1 806 238

Long-term financial liabilities are presented as follows:

					(in thousands of tenge)	
	Currency	Receiving date	Maturity date	Rate	December 31, 2023	December 31, 2022
Loans						
AVENTUS FINANCE LLC	EUR	2021	2027	19,50%	107 692	105 681
AVENTUS FINANCE LLC	EUR	2022	2027	10,00%	-	241 111
AVENTUS FINANCE LLC	RUR	2022	2027	10,00%	1 040 297	1 379 410
AVENTUS FINANCE LLC	RUR	2023	2028	10,00%	169 510	-
AVENTUS FINANCE LLC	RUR	2023	2028	15,00%	3 634 590	-
Total					4 952 089	1 726 202

Unsecured loans were raised from the parent company AVENTUS FINANCE LLC, repayment terms are 5 years. Repayment of principal and interest in a lump sum at the end of the repayment period. The Company has the right to early repay obligations both on the principal debt and on interest; the lender has no right to demand early repayment of obligations.

Changes in liabilities arising from financing activities as of December 31, 2023

Financial liabilities	December 31, 2022	Received	Recognized	Repaid	CIT withheld at source / VAT recognized	Attracted under agreements for the assignment of rights of claim	Accrued remuneration	Exchange rate difference	Written off	Offsetting	(in thousands of tenge)	
											Long-term part	Short-term part
Loans received (Note 14, 20)	1 726 202	8 863 468	-	-	-	-	-	(493 965)	-	(5 143 616)	4 952 089	-
Loans received from the founder												
Loans received from related parties	38 011	-	-	(9 081 968)	-	9 078 998	-	(35 033)	-	-	-	-
Loans received from third parties	902 604	170 000	-	(1 072 901)	-	-	-	297	-	-	-	-
Accrued remuneration	185 056	-	-	(135 028)	(28 256)	-	409 592	(23 254)	(18 549)	-	389 561	-
Total on loans received	2 851 873	9 033 468	-	(10 289 897)	(28 256)	9 078 998	409 592	(551 955)	(18 549)	(5 143 616)	5 341 650	8
Lease liabilities (Note 16)												
Car lease obligation	11 782	-	-	(3 464)	-	-	-	-	-	-	4 153	4 165
Leasing reward	188	-	-	(1 965)	-	-	1 910	-	-	-	-	133
Total lease liabilities	11 970	-	-	(5 429)	-	-	1 910	-	-	-	4 153	4 298
Lease obligations (Note 16)												
Obligations for rent of office and other assets	-	-	289 985	(52 138)	4 666	-	-	-	-	-	145 755	96 758
Total lease obligations	-	-	289 985	(52 138)	4 666	-	-	-	-	-	145 755	96 758
Total	2 863 843	9 033 468	289 985	(10 347 464)	(23 590)	9 078 998	411 502	(551 955)	(18 549)	(5 143 616)	5 491 558	101 064

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

Financial liabilities	December 31, 2021	Received	Recognized	Repaid	Accrued remuneration	Exchange rate difference	Offsetting	(in thousands of tenge)	
								Long-term part	Short-term part
Loans received (Note 14, 20)	104 594	1 942 418	-	-	-	(320 810)	1 726 202	-	-
Loans received from the founder									
Loans received from related parties	-	31 194	-	(924 909)	-	(10 730)	942 456	38 011	38 011
Loans received from third parties	1 704 097	845 182	-	(1 609 867)	-	(36 808)	-	902 604	902 604
Accrued remuneration	36 937	-	-	(313 784)	471 940	(10 037)	-	80 036	105 020
Total on loans received	1 845 628	2 818 794	-	(2 848 560)	471 940	(378 385)	942 456	1 806 238	1 045 635
Lease liabilities (Note 16)									
Car lease obligation	-	-	17 990	(6 208)	-	-	-	-	11 782
Car leasing reward	-	-	-	(548)	736	-	-	-	188
Total lease liabilities	-	-	17 990	(6 756)	736	-	-	-	11 970
Total	1 845 628	2 818 794	17 990	(2 855 316)	472 676	(378 385)	942 456	1 806 238	1 057 605

21. AUTHORIZED CAPITAL

As of December 31, 2023, and 2022, the amount of the declared and paid authorized capital of the Company is 300,000 thousand tenge.

No dividends were distributed in 2023 and 2022.

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

22. INTEREST INCOME USING THE EFFECTIVE INTEREST RATE

	(in thousands of tenge)	
	2023	2022
Interest on microcredits issued (Note 8)	13 654 648	8 664 608
Interest on loans issued (Note 9)	356 693	56 007
Remuneration on deposits placed	20 111	1 040
Total	14 031 452	8 721 655

23. INTEREST EXPENSES

	(in thousands of tenge)	
	2023	2022
Interest expenses on loans received from related parties (Note 14, 20)	369 946	83 580
Interest expenses on loans received from third parties (Note 14)	39 646	388 360
Lease remuneration (Note 16)	1 910	737
Total	411 502	472 677

24. OTHER FINANCIAL EXPENSES

	(in thousands of tenge)	
	2023	2022
Amortization of discount on lease liabilities (Note 16)	16 895	-
Total	16 895	-

25. OPERATING EXPENSES

	(in thousands of tenge)	
	2023	2022
		(reclassified)
Labor costs	1 038 028	544 071*
Deductions from wages	117 644	62 212*
Expenses for accrued reserve for unused vacations of employees	44 305	22 909*
Advertising services	2 963 904	999 988
Marketing services	29 123	125 062
Verification and scoring	247 211	298 563
Processing services	39 862	259 610
Agency services	740 198	374 128
License and software services	250 625	-
Information services	140 069	140 966*
Internet, communication, and SMS services	401 051	58 762*
Consulting costs	-	40 261
Collection services	57 117	28 051
Depreciation of property, plant and equipment and other non-current assets	45 794	-
Business travel expenses	1 549	-
Insurance costs	1 250	-
Material costs	12 366	20 694*

Other expenses	33	-
Total	6 130 129	2 975 277*

* Reclassified (Note 6)

26. ADMINISTRATIVE EXPENSES

	2023	(in thousands of tenge) 2022 (reclassified)
Labor costs	181 416	95 087*
Deductions from wages	20 366	10 770*
Expenses for accrued reserve for unused vacations of employees	11 064	5 721*
Insurance costs	4 744	-
Depreciation of property, plant and equipment and other non-current assets	22 371	13 690
Rental expenses	39 812	44 167
Taxes and other payments to the budget	44	29 745
Banking services	54 187	14 074
Communication services and Internet	599	35*
Information services	1 424	1 433*
Audit and consulting costs	7 052	3 500
Utilities	24 202	25 953
Business travel expenses	66 277	-
Material costs	36 494	61 070*
Expenses for maintenance and repair of property, plant and equipment	9 030	-
Professional services**	75 800	-
Membership fee	3 401	442
Charity and sponsorship	29 860	19 758
Penalties and fines paid to the budget	2 478	-
Other expenses	25 368	16 074
Total	615 989	341 519*

* Reclassified (Note 6)

** Professional services include legal, notary, organizational and other third-party services.

27. OTHER INCOME/(EXPENSES)

	2023	(in thousands of tenge) 2022 (reclassified)
Other income		
Income from exchange rate differences, net	619 724	423 015
Income under under agreements of assignment of rights of claims (Note 9)	477 675	46 822
Income from penalties (fines) on microcredits issued	1 153 054	555 061*
Income from writing off doubtful accounts payable	129 356	-
Other income	254	-
Total other income	2 380 063	1 024 898*
Other expenses		
Expenses from foreign exchange, net	(202 362)	(100 694)
Losses from the sale of part of the loan portfolio (Note 8)	(3 660 206)	(1 327 631)
VAT not creditable	(348 862)	(98 173)
Costs of paying CIT for a non-resident	(59 867)	-
Expenses related to accrual of provision for expected credit losses on cash in providers' accounts (Note 7)	(33 889)	-
Loan adjustment	-	(45 631)

Other expenses	(2 576)	(10 558)
Total other expenses	(4 307 762)	(1 582 687)
Total	(1 927 699)	(557 789)*

* Reclassified (Note 6)

28. INCOME TAX EXPENSES

In 2023 and 2022, the established corporate income tax rate for legal entities of the Republic of Kazakhstan was 20%.

Income tax expense for 2023 and 2022 is as follows:

	(in thousands of tenge)	
	2023	2022
Current income tax expenses	(1 393 353)	(436 728)
Corporate income tax withheld at source	(17 726)	(31 154)
Expenses for additional income tax accrual for 2022	(20 998)	-
Deferred income tax savings/(expense)	(16 739)	29 113
Total income tax expenses	(1 448 816)	(438 769)

The Company accrued additional corporate income tax for 2022 in the amount of 20,998 thousand tenge. Due to the insignificance of the additional accrual amount, the Company's management decided not to adjust the 2022 amounts, but to reflect these expenses in 2023.

Reconciliation of the current tax rate

Since some types of expenses are not considered for tax purposes, as well as due to the presence of non-taxable income, the Company has certain tax differences.

The amount of corporate income tax differs from its theoretical amount, calculated by multiplying profit before tax by the corporate income tax rate, as follows:

	(in thousands of tenge)	
	2023	2022
Profit before tax	3 820 123	623 458
Fixed income tax rate	20%	20%
Estimated amount of tax at the fixed rate	(764 025)	(124 692)
Tax effect of non-deductible expenses and non-taxable income	(684 791)	(314 077)
Total income tax expenses	(1 448 816)	(438 769)

The calculation of deferred tax assets/ (liabilities) as of December 31, 2023, and 2022, is as follows:

	(in thousands of tenge)				
	As of December 31, 2021	Charged to profit/(loss) account	As of December 31, 2022	Charged to profit/(loss) account	As of December 31, 2023
Taxable temporary differences:					
Property, plant and equipment, intangible assets	(3 237)	(5 409)	(8 646)	3 909	(4 737)
Right-of-use assets	-	-	-	(38 449)	(38 449)
Deferred tax liabilities	(3 237)	(5 409)	(8 646)	(34 540)	(43 186)
Deductible temporary differences:					
Tax obligations	402	873	1 275	6 279	7 554
Remuneration payable	7 387	29 662	37 049	(37 049)	-
Liabilities for unused employee vacations	1 739	3 987	5 726	6 884	12 610
Lease liabilities	-	-	-	41 687	41 687
Deferred tax assets	9 528	34 522	44 050	17 801	61 851
Deferred tax assets/(liabilities)	6 291	29 113	35 404	(16 739)	18 665

As of December 31, 2023, and 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.

29. RELATED PARTIES

Parties are considered related in cases where they are under Company's control or 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 and subsidiaries is presented in Note 1.

The Company's statement of financial position as of December 31, 2023, shows the following balances from transactions with related parties:

	December 31, 2023			(in thousands of tenge)
	Participant	Companies under common control	Other related parties	
Loans issued	3 509 456	1 630 836	404 144	5 544 436
<i>incl. accrued interest receivable</i>	<i>127 060</i>	<i>20 836</i>	<i>22 314</i>	<i>170 210</i>
Total assets	3 636 516	1 651 672	426 458	5 714 646
Loans received	(5 341 650)	-	(8)	(5 341 658)
<i>incl. accrued interest due for redemption</i>	<i>(389 561)</i>	<i>-</i>	<i>-</i>	<i>(389 561)</i>
Total liabilities	(5 341 650)	-	(8)	(5 341 658)
Total	(1 705 134)	1 651 672	426 450	372 988

The Company's statement of profit or loss and other comprehensive income for 2023 reflects the following amounts of income and expenses from transactions with related parties:

	2023			(in thousands of tenge)
	Participant	Companies under common control	Other related parties	
Interest income using the effective interest rate				
Remuneration on loans issued	203 656	111 841	18 627	334 124
Interest expenses				
Expenses for interest on loans received	(369 946)	-	-	(369 946)

The Company's statement of financial position as of December 31, 2022, shows the following balances from transactions with related parties:

	December 31, 2022		(in thousands of tenge)
	Participant	Other related parties	
Loans issued	871 124	-	871 124
<i>incl. accrued interest receivable</i>	<i>33 262</i>	<i>-</i>	<i>33 262</i>
Краткосрочная дебиторская задолженность	-	27 614	27 614
Total assets	871 124	27 614	898 738
Loans received	(1 806 238)	(38 011)	(1 844 249)
<i>incl. accrued interest due for redemption</i>	<i>(80 036)</i>	<i>-</i>	<i>(80 036)</i>
Total liabilities	(1 806 238)	(38 011)	(1 844 249)
Total	(935 114)	(10 397)	(945 511)

The Company's statement of profit or loss and other comprehensive income for 2022 reflects the following amounts of income and expenses from transactions with related parties:

(in thousands of tenge)

	Participant	2022 Other related parties	Total
Interest income using the effective interest rate			
Remuneration on loans issued	32 069	-	32 069
Interest expenses			
Expenses for interest on loans	(83 580)	-	(83 580)

Management Remuneration

As of December 31, 2023, key management personnel consisted of 2 people (in 2022: 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 28,724 thousand tenge for 2023 and 26,492 thousand tenge for 2022.

30. 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.

Since Kazakhstan produces and exports large amounts of oil and gas, the economy is particularly sensitive to fluctuations of world prices of oil and gas.

It is not currently possible to determine the impact of the subsequent possible devaluation on the economy and banking system. The financial position and future operations of the Group can deteriorate due to the continued economic problems specific to emerging markets and growth rates of lending the economy and consumers. The Company's management can anticipate neither the extent and duration of economic difficulties, nor the impact that they could have on the financial performance of the Group, if any.

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.

Taxes

Management applies professional judgment regarding the recognition, both payable and reimbursement, of various taxes applicable to the Company. Recognition assumptions are also made in relation to taxes that are recoverable to the Company. In applying tax judgment, management believes that the tax position taken is consistent with applicable law and reflects the likely outcome of tax recognition. Estimates are made to determine the amount of taxes to be paid or reimbursed, including deferred tax assets. Tax liabilities and receivables, subject to future audits by tax authorities, may differ from forward-looking estimates as a result of management's interpretation of tax laws and regulations. Such interpretations may affect expected tax amounts and the timing of tax payments and refunds.

Taxation

The Government of the Republic of Kazakhstan continues to reform business and commercial infrastructure in the process of transition to a market economy. As a result, the laws and regulations governing the Company's business continue to change rapidly. These changes are characterized by poor presentation, varying interpretations and arbitrary application by authorities.

In particular, taxes are audited by several authorities, which by law have the right to impose fines and penalties. The lack of reference to provisions in Kazakhstan results in a lack of clarity and integrity of the provisions. Frequent

conflicts in legal interpretation within government agencies and between companies and government agencies create uncertainty and conflict. These facts create tax risks in Kazakhstan that are much more significant compared to those in countries with more developed tax systems.

Tax authorities have the right to check tax records within three years after the end of the period in which the tax base was determined and the amount of taxes was calculated. Consequently, the Company may be subject to additional tax liabilities as a result of tax audits. The Company believes that it has adequately provided for all tax liabilities based on its understanding of tax laws.

31. RISK MANAGEMENT POLICIES

The financial and economic activities of the Company are subject to economic and social risks inherent in entrepreneurial activity in Kazakhstan: these risks arise under the influence of such objective factors as political decisions of the Government, 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 credit risk, liquidity risk, market risk that arise for the Company for the reporting period. Below are descriptions of the Company's policy in relation to the management of these risks.

Credit Risk

Credit risk is the risk that the Company will incur losses due to the fact that its customers or counterparties have not fulfilled their contractual obligations. The Company manages credit risk by establishing the maximum amount of risk that the Company is willing to accept for individual counterparties, geographic or industry concentrations of risk, as well as by monitoring compliance with established risk limits.

The Company has developed a credit review process to ensure early detection of possible changes in the creditworthiness of counterparties, including periodic review of the amount of collateral. Counterparty limits are determined using a credit risk classification system that assigns credit risk to each counterparty. Credit risk is reviewed regularly.

The credit quality review procedure allows the Company to assess the size of potential losses for the risks to which it is exposed and take the necessary measures.

The Company constantly monitors the status of individual loans and other credit risks. In addition to analyzing individual borrowers, the Company evaluates the loan portfolio as a whole in relation to loan concentration and market risks.

The Company's maximum exposure to credit risk is best reflected in the carrying amounts of financial assets in the statement of financial position and the amounts of unrecognized contractual liabilities. The ability to offset assets and liabilities is not essential to reducing potential credit risk.

The calculation of credit risk on own assets as of December 31, 2023, and 2022 is presented as follows:

	Note	(in thousands of tenge)	
		December 31, 2023	December 31, 2022
Cash	7	767 578	667 321
Microcredits to the clients	8	2 009 999	1 979 210
Loans issued	9	5 372 132	1 071 381
Accounts receivable	10	412 106	214 759
Financial assets at fair value through other comprehensive income	12	30 100	-
Total amount of credit risk		8 591 915	3 932 671

Liquidity Risk

Liquidity risk is defined as the risk that the Company may encounter difficulties in meeting its financial obligations. The Company is exposed to risk due to the daily need to use available cash. Liquidity risk is managed by the Company's Management. Management monitors the Company's cash flow forecasts on a monthly basis.



Below is information as of December 31 on contractual undiscounted payments on the Company's financial assets and liabilities by their maturity dates:

December 31, 2023	(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	124 814	642 764	-	-	-	767 578
Microcredits to the clients	-	2 009 999	-	-	-	2 009 999
Loans issued	-	39 332	9 491	3 874 309	1 449 000	5 372 132
Accounts receivable	-	206 171	205 935	-	-	412 106
Financial assets at fair value through other comprehensive income	-	-	-	-	30 100	30 100
	124 814	2 898 266	215 426	3 874 309	1 479 100	8 591 915
FINANCIAL LIABILITIES:						
Financial liabilities	-	(8)	-	-	(5 341 650)	(5 341 658)
Trade accounts payable	-	(243 587)	-	-	-	(243 587)
Vehicle leasing liability	-	(8 063)	(16 126)	(76 867)	(149 908)	(250 964)
	-	(251 658)	(16 126)	(76 867)	(5 491 558)	(5 836 209)
Net position	124 814	2 646 608	199 300	3 797 443	(4 012 458)	2 755 706

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
Microcredits to the clients	-	767 801	1 211 409	-	-	1 979 210
Loans issued	-	-	-	1 071 381	-	1 071 381
Accounts receivable	-	-	-	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)
Lease 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

Market Risk

Market risk is the possible fluctuation in the value of a financial instrument as a result of changes in market prices. The Company manages market risk by periodically assessing potential losses that may arise due to negative changes in market conditions.

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market parameters such as interest rates, foreign exchange rates and equity prices. The Company does not have a significant concentration of market risk, since during the reporting period, for the most part, the financial instruments that the Company operated were financial assets that accrue interest at a fixed rate of interest, which are not exposed to the risk of changes in interest rates in the country and are determined by the prospectus of their issues.

Currency Risk

Currency risk is the risk that financial instruments are subject to fluctuations due to changes in exchange rates.

Below is information as of December 31 on contractual undiscounted payments on the Company's financial assets and liabilities by currency:

(in thousands of tenge)

December 31, 2023	Tenge	Euro	Russian ruble	US Dollar	Total
FINANCIAL ASSETS:					
Cash	760 936	2 167	4 475	-	767 578
Microcredits to the clients	2 009 999	-	-	-	2 009 999
Loans issued	1 315 552	270 040	3 389 880	396 660	5 372 132
Accounts receivable	412 106	-	-	-	412 106
Financial assets at fair value through other comprehensive income	-	-	-	30 100	30 100
	4 498 593	272 207	3 394 355	426 760	8 591 915
FINANCIAL LIABILITIES:					
Financial liabilities	-	(181 054)	(5 160 604)	-	(5 341 658)
Trade accounts payable	(117 760)	(80 621)	(4 374)	(40 832)	(243 587)
Lease liability	(250 964)	-	-	-	(250 964)
	(368 724)	(261 675)	(5 164 978)	(40 832)	(5 836 209)
Net position	4 129 869	10 532	(1 770 623)	385 928	2 755 706

(in thousands of tenge)

December 31, 2022	Tenge	Euro	Russian ruble	US Dollar	Total
FINANCIAL ASSETS:					
Cash	621 834	12 848	32 639	-	667 321
Microcredits to the clients	1 979 210	-	-	-	1 979 210
Loans issued	80 549	990 832	-	-	1 071 381
Accounts receivable	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)
Lease 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

Sensitivity Analysis

The main cash flows of the Company are generated primarily in tenge and Russian rubles. 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.

(in thousands of tenge)

Currency	Change in exchange rate, %	Impact on profit before tax	
		2023	2022
Euro	20%	2 106	(89 361)
	-20%	(2 106)	89 361
Russian ruble	20%	(354 125)	(272 936)
	-20%	354 125	272 936
US Dollar	20%	77 186	(1 055)
	-20%	(77 186)	1 055

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. FAIR VALUE OF FINANCIAL INSTRUMENTS

Below is a comparison of book values and fair values by class of the Company's financial instruments. The table does not provide fair values of non-financial assets and non-financial liabilities.

(in thousands of tenge)

	December 31, 2023		December 31, 2022	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash	767 578	767 578	667 321	667 321
Microcredits to the clients	2 009 999	2 009 999	1 979 210	1 979 210
Loans issued	5 372 132	5 372 132	1 071 381	1 071 381
Accounts receivable	412 106	412 106	214 759	214 759
Financial assets at fair value through other comprehensive income	30 100	30 100	-	-
Total financial assets	8 591 915	8 591 915	3 932 671	3 932 671
Financial liabilities				
Financial liabilities	5 341 658	5 341 658	2 851 873	2 851 873
Trade accounts payable	243 587	243 587	171 707	171 707
Lease liability	208 568	208 568	11 970	11 970
Total financial liabilities	5 793 813	5 793 813	3 035 550	3 035 550
Net position	2 798 102	2 798 102	897 121	897 121

Assets whose fair value approximates their book value

For financial assets and financial liabilities that are liquid or have short maturities, their fair value is assumed to approximate their book value.

Below is an analysis of financial instruments measured at fair value by level of the fair value hierarchy.

	December 31, 2023			(in thousands of tenge)
	Level 1	Level 2	Level 3	
Assets measured at fair value				Total
Financial assets at fair value through other comprehensive income	-	30 100	-	30 100
Total	-	30 100	-	30 100
Assets for which fair value is disclosed				
Cash	767 578	-	-	767 578
Microcredits to the clients	-	2 009 999	-	2 009 999
Loans issued	-	5 372 132	-	5 372 132
Accounts receivable	-	412 106	-	412 106
Total	767 578	7 794 237	-	8 561 815
Liabilities for which fair values are disclosed				
Financial liabilities	-	5 341 658	-	5 341 658
Trade accounts payable	-	243 587	-	243 587
Lease liability	-	8 451	200 117	208 568
Total	-	5 593 696	200 117	5 793 813

	December 31, 2023			(in thousands of tenge)
	Level 1	Level 2	Level 3	
Assets for which fair value is disclosed				Total
Cash	667 321	-	-	667 321

Microcredits to the clients	-	1 979 210	-	1 979 210
Loans issued	-	1 071 381	-	1 071 381
Accounts receivable	-	214 759	-	214 759
Total	667 321	3 265 350	-	3 932 671
Liabilities for which fair values are disclosed				
Financial liabilities	-	2 851 873	-	2 851 873
Trade accounts payable	-	171 707	-	171 707
Lease liability	-	11 970	-	11 970
Total	-	3 035 550	-	3 035 550

Financial assets and financial liabilities carried at amortized cost

The fair value of financial assets and liabilities is estimated by discounting future cash flows using rates that currently exist for debt with similar terms, credit risk and maturity.

There were no movements of financial assets and liabilities between levels of the fair value hierarchy during the reporting period.

The following are significant unobservable inputs used to make fair value measurements classified as Level 3 of the fair value hierarchy:

(in thousands of tenge)

	Equity valuation method	Significant unobservable inputs	Range as of December 31, 2023
Financial liabilities			
Lease liabilities	Discounted Cash Flow Method	Discount rate and interest rate	16,5%

33. SUBSEQUENT EVENTS

On January 08, 2024, in accordance with the Decision of the Sole Participant of the Company No. 08-01-2024, the name of the parent company / founder of Aventus Finance LLC was changed to Biklever Finance LLC.

On April 2, 2024, based on the Decision of the Sole Participant No. 02-04-2024, the authorized capital of the Company was increased at the expense of retained earnings from 300,000 thousand tenge to 400,000 thousand tenge.

The Company did not have any 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.

34. 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, 2023, 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 150,000 thousand tenge.

The Company's equity capital is 2,863,181 thousand tenge, with a minimum allowable amount of 150,000 thousand tenge.

The equity adequacy ratio k1 is 0.48, with a minimum acceptable value of 0.1.

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

The leverage ratio k3 is 1.246, with a maximum allowable value of 10,000.