

Tengri Partners Investment Banking (Kazakhstan) JSC

Consolidated financial statements

for the year ended 31 December 2021
prepared in accordance with IFRSs

Almaty 2022

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INDEPENDENT AUDITORS' REPORT

To: Owners of Tengri Partners Investment Banking (Kazakhstan) JSC

Qualified Opinion

We have audited the accompanying consolidated financial statements of Tengri Partners Investment Banking (Kazakhstan) JSC and its subsidiaries (hereinafter – the “Group”), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (hereinafter – “IFRSs”).

Basis for Qualified Opinion

As indicated in note 17, the Group considered practical expedients of IFRS 16 “Leases” and does not recognise right-of-use assets or lease liabilities for leased office premises. Nevertheless, IFRS 16 requires determining duration of leases consistent with determining lease term. Due to the limited scope of our audit of management’s estimates of the lease, we were unable to determine whether any adjustments were necessary for the right-of-use asset and lease liabilities as at 31 December 2021 (2020: not determined).

We conducted our audit in accordance with International Standards on Auditing (hereinafter – “ISAs”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (hereinafter – “IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code, together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

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



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

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

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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




Auditors' Responsibilities for the Audit of the Consolidated Financial Statements, continued

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Approve


Vasily Nikitin
Auditor, audit certificate No. 0000507
dated 8 February 2001
Managing partner
Moore Kazakhstan LLP
29 March 2022


Aidar Aitov
Audit partner

General licence No. 21027383 for audit activity issued 24 September 2021 by Ministry of Finance of the Republic of Kazakhstan



Tengri Partners Investment Banking (Kazakhstan) JSC
Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2021

KZT'000	Note	2021	2020
Service and commission income	3	129,811	295,996
Service and commission costs	4	(234)	(75,414)
Gross profit		129,577	220,582
Finance income	5	13,781	127,880
Operating expenses	6	(533,528)	(470,886)
Other operating income, net	7	1,493	18,875
Operating loss		(388,677)	(103,549)
Foreign exchange loss		(717)	(923)
Loss before taxation		(389,394)	(104,472)
Income tax expense	8(a)	(4,438)	—
Loss for the year		(393,832)	(104,472)
Other comprehensive income		—	—
Total comprehensive expense for the year		(393,832)	(104,472)
Basic and diluted loss per share, KZT	18(b)	(209)	(63)

These consolidated financial statements have been approved for issue on 29 March 2022 and signed on behalf of the Group's management by:

Ilya Chakalidi

Chairman of the Management Board

Tengri Partners Investment Banking (Kazakhstan) JSC

Aigul Tatybayeva

Chief accountant

Tengri Partners Investment Banking (Kazakhstan) JSC



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KZT'000	Note	2021	2020
ASSETS			
Cash	9	8,822	11,961
Repo receivables	10	8,005	29,008
Investment securities measured at fair value through profit or loss	11(a)	555,203	543,134
Investment securities measured at fair value through other comprehensive income	11(b)	200	200
Trade and other receivables	12	20,541	13,768
Advances paid and other current assets	13	15,945	36,706
Property, plant and equipment	14	17,662	18,786
Deferred tax asset	8(b)	—	4,438
TOTAL ASSETS		626,378	658,001
LIABILITIES AND EQUITY			
Liabilities			
Other taxes payable	15	6,853	8,630
Trade and other payables	16	61,834	42,848
		68,687	51,478
Equity			
Share capital	18(a)	2,082,479	1,737,479
Accumulated losses		(1,524,788)	(1,130,956)
		557,691	606,523
TOTAL LIABILITIES AND EQUITY		626,378	658,001
Book value of share, KZT	18(c)	270	353

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KZT'000	Note	2021	2020
OPERATING ACTIVITIES			
Loss before taxation		(389,394)	(104,472)
Adjustments for:			
Finance income	5	(13,781)	(127,880)
Depreciation	6	8,447	7,082
Impairment losses	7	10,314	240
Unrealised foreign exchange loss		315	2,160
Operating cash flows before changes in working capital		(384,099)	(222,870)
Decrease in prepayments and other current assets		10,424	506
Increase in trade and other receivables		(6,750)	(5,549)
Decrease in repo receivables, net		21,003	186,993
Decrease (increase) in other taxes payable		(1,777)	465
Increase in trade and other payables		18,987	32,796
Cash flows from operations before interest and income tax paid		(342,212)	(7,659)
Interest received		1,711	4,073
Income tax paid		—	—
Net cash used in operating activities		(340,501)	(3,586)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	14	(7,323)	(9,873)
Purchases of investment securities		—	(134,951)
Net cash used in investing activities		(7,323)	(144,824)
FINANCING ACTIVITIES			
Issue of shares	18(a)	345,000	145,429
Repurchase of own shares		—	(20,000)
Sale of own shares		—	25,000
Net cash from financing activities		345,000	150,429
Net decrease (increase) in cash		(2,824)	2,019
Effect of exchange rate changes on cash		(315)	(2,160)
Cash at the beginning of the year		11,961	12,102
Cash at the end of the year	9	8,822	11,961

Non-cash transactions

In 2021, the Group revalued investment securities measured at fair value through profit or loss for the amount of KZT 12,070 thousand (2020: 123,807 thousand) (see note 5).

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KZT'000

At 1 January 2020

Loss for the year

Issue of shares

Repurchase of own shares

Sale of own shares

At 31 December 2020

Loss for the year

Issue of shares

At 31 December 2021

Note	Share capital	Accumulated losses	Total
	1,587,050	(1,026,484)	560,566
	—	(104,472)	(104,472)
18(a)	145,429	—	145,429
18(a)	(20,000)	—	(20,000)
18(a)	25,000	—	25,000
	1,737,479	(1,130,956)	606,523
	—	(393,832)	(393,832)
18(a)	345,000	—	345,000
	2,082,479	(1,524,788)	557,691

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1. General information

(a) Organisation and operation

Tengri Partners Investment Banking (Kazakhstan) JSC (hereinafter – the “Company”) is a joint stock company incorporated in Kazakhstan. Its parent is Tengri Partners (Kazakhstan) LLP. Its ultimate controlling party is a resident of the Kingdom of the Netherlands who ultimately owns 100% of the Company.

The Company’s registered office and principal place of business is office 705, 17 al-Farabi Ave., block 4b, Almaty, 050059, Kazakhstan.

The main activities of the Company are:

- broker, dealer and other activities related to the securities market;
- investment consulting;
- analytical research.

The Company has the following licenses:

- No. 3.1.1.244 dated 17-Nov-2020 for carrying out activities in the securities market, namely brokerage and dealer activities with the right to maintain accounts as a nominal holder;
- No. 4.3.14 dated 22- Feb-2021 for conducting exchange transactions with foreign currency, with the exception of exchange transactions with foreign currency in cash.

As at 31 December 2021, the Company had 35 employees (2020: 33 employees).

These consolidated financial statements comprise the Company and its subsidiaries (hereinafter – the “Group”). The subsidiaries are Tengri Partners Financial Advisory LLP and TP Residential Mortgage Securities Corporation (Kazakhstan) SFK LLP. The main activity of the subsidiaries is financing of the originator against the assignment of monetary claim by issuing bonds and support activities in the field of financial services (2021: has been not carried out).

The Group has a branch (hereinafter – the “Branch”) in the Astana International Financial Centre (hereinafter – the “AIFC”) registered on 17 January 2020 in accordance with the AIFC rules.

The main activities of the Branch on AIFC are:

- broker, dealer and market making services;
- nominal holding and underwriting services;
- financial consulting.

The Branch’s registered office is working space No. 125, 55/21 Mangilik El Avenue, Block C4.2, Nur-Sultan, Kazakhstan.

As at 31 December 2021, the Branch had 3 employees (2020: 3 employees).

(b) Kazakhstan business environment

The Group’s operations are primarily located in Kazakhstan. Consequently, the Group is exposed to country risk being the economic, political and social risks inherent in doing business in Kazakhstan. These risks include matters arising from the policies of the government, economic conditions, imposition or changes to taxes and regulations, foreign exchange fluctuations and the enforceability of contract rights.

The financial statements include management’s estimates of Kazakhstan economic conditions and their impact on the results and financial position of the Group. Actual economic conditions can differ from those estimates.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter – “IFRSs”) as issued by the International Accounting Standards Board (hereinafter – “IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter – “IFRIC”) of the IASB.

(b) Going concern

These consolidated financial statements have been prepared on a going concern basis.

2. Basis of preparation, continued

Recently, the Group performed a number of changes and has shown a relatively stable positive trend in profitability in recent years. As a result, the Group's fortunes will largely depend on maintaining this dynamic in the future. Management believes that it is making sufficient efforts to implement these plans and believes that the Group's sufficient working capital and owner support provide sufficient assurance to meet its expected cash requirements.

After making appropriate enquiries, and having considered the forecast prices for the Group's services, the level of sales, repayment of debt and capital obligations, as well as assessing possible adverse operational impacts such as lower prices for services provided, increased operating costs, management reasonably believes that the Group has sufficient resources to continue operating in the foreseeable future. Accordingly, the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(c) Basis of accounting

The consolidated financial statements have been prepared on a historical cost basis, except for security investments that have been measured at fair value in accordance with IFRS 9 Financial Instruments" (see note 11).

(d) Basis of consolidation

The consolidated financial statements set out the Group's financial position as at 31 December 2021 and the Group's financial performance for the year ended 31 December 2021.

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to direct those activities of an enterprise that most significantly affect the returns the Group earns from its involvement with the enterprise. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This treatment may mean that amounts previously recognised in other comprehensive income are recycled through profit or loss.

The financial statements of subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising from intragroup transactions, have been eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

(e) Functional and presentation currency

The national currency of the Republic of Kazakhstan is the Kazakhstan tenge (hereinafter – "tenge" or "KZT"), which is the functional currency of the Company and its subsidiaries and the currency in which these consolidated financial statements are presented. All financial information presented in tenge has been rounded to the nearest thousand (hereinafter – "KZT'000" or "KZT thousand").

(f) Adoption of standards and interpretations

In preparing the financial statements, the Group has applied the following standards and amendments effective from 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
- COVID-19 Rent Related Concessions (Amendments to IFRS 16).

The standards and amendments listed above did not have a material impact on the Group's financial statements.

(g) New standards and interpretations not yet adopted

The Group has not early adopted new standards, interpretations or amendments that were issued but are not yet entered into force, and their requirements have not been considered when preparing the financial statements. These standards and interpretations are not expected to have a material impact on these financial statements.

2. Basis of preparation, continued

(h) Use of estimates and judgments

The Group's management has made a number of judgments, estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with IFRSs. Judgements are based on management's best knowledge of the relevant facts and circumstances having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments made by management for preparation of these financial statements is described in the following notes below. However, management does not expect a significant risk of a material change to the Company's carrying value of the assets and liabilities affected by these factors in the next 12 months, within a reasonably possible range, unless described otherwise.

- Note 8 – Income tax. Management made estimates in relation to the level of taxes payable which may then be audited by the tax authorities and timing of realisation of temporary differences;
- Note 11 – Investment securities measured at fair value. Estimates were made in measurement of the fair values of the investment securities;
- Note 12 – Trade and other receivables. Management made estimates in relation to the allowance for expected credit losses;
- Note 13 – Advances paid and other current assets. Management made estimates in relation to the allowance for doubtful assets;
- Note 14 – Property, plant and equipment. Estimates were made in relation to the useful lives of assets;
- Note 19 – Financial risk management objectives and policies. Fair value analysis is based on estimated future cash flows and discount rates;
- Note 20 – Commitments and contingencies. These require management to make estimates as to amounts payable and to determine the likelihood of cash outflows in the future.

(i) Segment information

Information provided to the Group's management for the purposes of planning and performance assessment is prepared in accordance with the operational structure of the Group. For management and operational purposes, the Group is considered as one business segment, according to the nature of operations, end-products and services rendered.

(j) Comparative information

Where a change in the presentation format of the financial statements has been made during the year, comparative figures have been restated accordingly, to conform with the new presentation format. In particular.

3. Service and commission income

KZT'000

	2021	2020
Underwriting	95,891	212,063
Brokerage and nominal holding	33,920	83,621
Market making	–	258
Investment and trust management of assets	–	54
	129,811	295,996

The Group provides all its services under prior concluded short-term and long-term contracts. The terms of the contracts vary depending on the subject of the contract and could be fixed price or with repayment of related costs incurred (in particular, brokerage services).

The Group provides its services over a period of time, as the buyer simultaneously receives and consumes the benefits as the Group renders them. The Group issues invoices a monthly basis.

4. Service and commission costs

KZT'000	2021	2020
Stock exchange services	17	68,743
Other professional services	217	6,671
	234	75,414

5. Finance income

KZT'000	2021	2020
Income from revaluation of investment securities	12,070	123,807
Interest income on reverse repo operations	1,711	4,073
	13,781	127,880

6. Operating expenses

KZT'000	2021	2020
Employee salaries	292,650	243,379
Use of licenced software	50,634	35,684
Advertising and attracting customers	45,738	45,481
Rental and maintenance of property, plant and equipment	32,490	37,508
Taxes and payments to the budget	28,660	43,854
Professional services	28,077	30,715
Depreciation	8,447	7,082
Communication	6,026	6,002
Representation and business travel	1,481	5,195
Other	39,325	15,986
	533,528	470,886

7. Other operating income, net

KZT'000	2021	2020
Impairment losses	(10,314)	3
Other	11,807	18,872
	1,493	18,875

8. Income tax

(a) Income tax expense

The major components of income tax expense are as follows:

KZT'000	2021	2020
Corporate income tax	—	—
Origination and reversal of temporary differences	4,438	—
Income tax expense	4,438	—

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8. Income tax, continued

A reconciliation of income tax expense applicable to accounting loss before tax at the statutory rate to income tax expense at the effective tax rate is as follows:

KZT'000	2021	2020
Loss before taxation	(389,394)	(104,472)
Income tax rate	20.0%	20.0%
At statutory income tax rate	(77,879)	(20,894)
Unrecognised deferred tax assets	91,410	30,128
Non-taxable income	(9,093)	(9,234)
Income tax expense	4,438	–
Effective income tax rate	-1.1%	0.0%

(b) Deferred tax asset

The amounts of deferred tax assets are as follows:

KZT'000	2021	2020
Property, plant and equipment	1,425	1,426
Trade and other receivables	1,028	1,019
Vacations accrued	3,262	2,330
Taxes payable	446	538
Tax losses carried forward	287,417	252,357
	293,578	257,670
Unrecognised deferred tax assets	(293,578)	(253,232)
	–	4,438

Movement in deferred tax asset is as follows:

KZT'000	2021	2020
At 1 January	4,438	4,438
Charged to profit or loss	(4,438)	–
At 31 December	–	4,438

(c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised because of uncertainty whether sufficient future taxable profit will be available to the Group's companies to allow the deferred tax assets to be recovered.

Tax losses can be utilised against future taxable profits within the statute of limitations period, which is currently 10 years.

9. Cash

Cash includes balances on current bank accounts in the amount of KZT 8,822 thousand (2020: KZT 11,961 thousand).

10. Repo receivables

As at 31 December 2021, there were outstanding reverse repurchase agreements (repo) between the Group and Kazakhstan Stock Exchange JSC in the amount of KZT 8,005 thousand (2020: KZT 29,008 thousand).

These agreements were secured by securities included in the pool of securities of international financial organisations with the yield of 10.75% per annum (2020: 8.4%) and maturing in January 2022 (2020: January 2021).

11. Investment securities measured at fair value

(a) Investment securities measured at fair value through profit or loss

Investment securities measured at fair value through profit or loss comprise equity securities of a Kazakhstan company listed on the Kazakhstan Stock Exchange (hereinafter – "KASE") in the amount of KZT 555,203 thousand (2020: KZT 543,134 thousand).

11. Investment securities measured at fair value, continued

(b) Investment securities measured at fair value through other comprehensive income

Investment securities measured at fair value through other comprehensive income comprise equity securities of an infrastructure financial institution in the amount of KZT 200 thousand (2020: KZT 200 thousand).

12. Trade and other receivables

KZT'000

Trade receivables from third parties
Trade receivables from related parties

Allowance for expected credit losses

2021	2020
25,318	18,326
364	537
25,682	18,863
(5,141)	(5,095)
20,541	13,768

Movement in the allowance for expected credit losses is as follows:

KZT'000

At 1 January
Accrued
Accrued (foreign exchange)

At 31 December

2021	2020
5,095	4,855
(23)	240
69	—
5,141	5,095

13. Advances paid and other current assets

KZT'000

Other taxes prepaid
Guarantee payment to KASE
Advances paid for goods and services
Deferred expenses
Receivables from employees
Other

Allowance for impairment of advances paid

2021	2020
11,699	10,688
6,000	5,000
4,436	4,041
3,565	8,162
582	8,543
—	272
26,282	36,706
(10,337)	—
15,945	36,706

Movement in the allowance for doubtful assets is as follows:

KZT'000

At 1 January
Accrued

At 31 December

2021	2020
—	—
10,337	—
10,337	—

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14. Property, plant and equipment

KZT'000

Cost

At 1 January

Additions

Disposals

At 31 December

Depreciation

At 1 January

Depreciation charge

Disposals

At 31 December

Net book value

At 31 December

	2021	2020
At 1 January	106,461	96,588
Additions	7,323	9,873
Disposals	(21,771)	–
At 31 December	92,013	106,461
At 1 January	87,675	80,593
Depreciation charge	8,447	7,082
Disposals	(21,771)	–
At 31 December	74,351	87,675
At 31 December	17,662	18,786

Property, plant and equipment includes software installed on computers with a book value of KZT 4,342 thousand (2020: KZT 4,004 thousand).

15. Other taxes payable

KZT'000

Pension payments

Personal income tax

Social tax

Value added tax

Withholding tax for non-resident

Other taxes

	2021	2020
Pension payments	2,305	2,164
Personal income tax	1,929	2,287
Social tax	1,621	1,989
Value added tax	120	476
Withholding tax for non-resident	–	1,009
Other taxes	878	705
	6,853	8,630

16. Trade and other payables

KZT'000

Trade payables

Vacations accrued

Commissions payable (depository, custodian, exchange)

Trade payables for related parties

Other payables

	2021	2020
Trade payables	29,682	23,123
Vacations accrued	16,311	11,650
Commissions payable (depository, custodian, exchange)	8,963	7,974
Trade payables for related parties	4,268	–
Other payables	2,610	101
	61,834	42,848

17. Lease

The Group leases office premises. Rental contracts are typically made for fixed periods of equal or less than 12 months but have extension options. The lease contracts do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be subleased or used as security for borrowing purposes.

The Group considered practical expedients and does not recognise right-of-use assets or lease liabilities for leases which have low value or short-term leases within 12 months of the date of initial application. The payments associated with these leases which are charged directly to the profit or loss on a straight-line basis over the lease term (see note 6).

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18. Equity

(a) Share capital

	2021		2020	
	share, %	KZT'000	share, %	KZT'000
Tengri Partners (Kazakhstan) LLP	100	2,082,479	100	1,737,479
	100	2,082,479	100	1,737,479

Allotted share capital of the Company is 3,000,000 ordinary shares of 1,000 tenge each. As at 31 December 2021, the issued share capital was 2,052,123 shares (2020: 1,707,123 shares). The issued share capital has been fully paid up.

In 2021, the Company issued 345,000 ordinary shares (January: 100,000 shares, April: 50,000 shares, June: 29,000 shares, August: 36,000 shares, September: 41,000 shares, October: 35,000 shares, November: 42,000 shares, December: 12,000 shares) at a price of KZT 1,000 per share.

In 2020, the Company issued 145,429 ordinary shares (February: 85,429 shares, June: 30,000 shares, October: 30,000 shares) at a price of KZT 1,000 per share. In April 2020, the Company repurchased 50,356 of its own shares at a price of KZT 397.18 per share for the amount of KZT 20,000 thousand. In June 2020, the Company sold 25,000 of its own shares at a price of 1,000 tenge per share.

As at 31 December 2021, Leasing Group JSC is listed in the Company's register of securities holders as part of a short-term exchange-traded direct repo operation entered into with Leasing Group JSC and secured by the Company's shares. Common shares of the Company acted as collateral.

(b) Loss per share

Basic (loss) earnings per share is calculated by dividing net loss for the period attributable to equity holders the Company by the weighted average number of ordinary shares outstanding during the period.

	2021	2020
Loss for the year, KZT'000	(393,832)	(104,472)
Number of ordinary shares	1,887,085	1,657,337
Basic and diluted loss per share, KZT	(209)	(63)

(c) Book value of share

The book value of share is calculated in accordance with the requirement of Article 9.2.1 of the KASE Listing Rules. As at 31 December, book value of share was as follows:

KZT'000 (unless otherwise stated)	2021	2020
Assets	626,378	658,001
Intangible assets (within property, plant and equipment)	(4,342)	(4,004)
Liabilities	(68,687)	(51,478)
Net assets	553,349	602,519
Number of ordinary shares	2,052,123	1,707,123
Book value of share, KZT	270	353

(d) Dividends

In 2021 and 2020, the Company neither declared nor paid dividends.

In accordance with the legislation of Kazakhstan, the Company's distributable reserves are limited to the balance of retained earnings as recorded in the Company's separate financial statements prepared in accordance with IFRSs or income for the period if there is an accumulated loss brought forward. A distribution cannot be made if this would result in negative equity or the Company's insolvency.

19. Financial instruments and financial risk management objectives and policies

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;

19. Financial instruments and financial risk management objectives and policies, continued

- market risk.

Management of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Management oversees compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(b) Categories and fair values of financial assets and financial liabilities

Categories of financial assets and financial liabilities

KZT'000	Note	2021	2020
Financial assets at amortised costs			
Cash	9	8,822	11,961
Repo receivables	10	8,005	29,008
Trade and other receivables	12	20,541	13,768
		37,368	54,737
Financial assets at fair value through profit and loss			
Investment securities measured at fair value through profit or loss	11(a)	555,203	543,134
		555,203	543,134
Financial assets at fair value through other comprehensive income			
Investment securities measured at fair value through other comprehensive income	11(b)	200	200
		200	200
Financial liabilities at amortised cost			
Trade and other payables	16	(61,834)	(42,848)
		(61,834)	(42,848)

Fair values

The fair values of each category of financial asset and liability are not materially different from their carrying values as presented.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises mainly from the Group's trade receivables, including repo receivables, and cash.

The carrying value of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at 31 December was:

KZT'000	2021	2020
Cash (less petty cash)	8,822	11,961
Repo receivables	8,005	29,008
Trade and other receivables	20,541	13,768
	37,368	54,737

Cash

Credit risk related to cash is monitored by management in accordance with the policies of the Group. Free funds are held with the most reliable banks in Kazakhstan with determined ratings of Standard & Poor's. The purpose of this policy is to reduce concentration of credit risk and minimise possible financial loss due to banks' failure to meet their contractual obligations.

19. Financial instruments and financial risk management objectives and policies, continued

KZT'000	2021	2020
Ratings from BBB- to BB-	8,251	8,100
Ratings from B+ to B-	571	3,861
	8,822	11,961

Repo receivables

Repo transactions are short-term loans of cash secured by investment securities. The concentration of credit risk and possible financial losses are minimised due to the quality of the pledged securities.

The Group's exposure to credit risk relates entirely to Kazakhstan debtors.

The allowance for impairment of loans receivable is created at loan issuance. There are no arrears within loans receivable.

Trade receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. These trade receivables relate to customers that make payment in instalments. The Group regularly monitors its exposure to bad debts in order to minimise this exposure.

The Group's exposure to credit risk relates entirely to Kazakhstan customers.

The Group creates an allowance for impairment of trade receivables, which represents its estimate of expected credit losses. The ageing of trade receivables at 31 December was:

KZT'000	Gross	Expected loss rate	Impairment
2021			
Not past due	20,541	0%	—
Past due 0-270 days	—	0%	—
More than 270 days	5,141	-100%	(5,141)
	25,682	-20%	(5,141)
2020			
Not past due	11,451	0%	—
Past due 0-90 days	2,317	0%	—
Past due 91-180 days	—	0%	—
Past due 181-270 days	12	-100%	(12)
More than 270 days	5,083	-100%	(5,083)
	18,863	-27%	(5,095)

(d) Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring continuity of funding and flexibility through purchases on credit.

Maturity of financial liabilities

The table below provides an analysis of the Group's financial liabilities to be settled on a gross basis by relevant maturity groups from the balance sheet date to the contractual settlement date:

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19. Financial instruments and financial risk management objectives and policies, continued

KZT'000	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
2021					
Cash	8,822	—	—	—	8,822
Repo receivables	8,005	—	—	—	8,005
Investment securities measured at fair value through profit and loss	—	555,203	—	—	555,203
Investment securities measured at fair value through other comprehensive income	—	—	—	200	200
Trade and other receivables	3,080	17,461	—	—	20,541
Trade and other payables	(30,324)	(11,907)	(16,999)	(2,604)	(61,834)
	(10,417)	560,757	(16,999)	(2,404)	530,937
2020					
Cash	11,667	—	—	—	11,667
Repo receivables	29,008	—	—	—	29,008
Investment securities measured at fair value through profit and loss	—	543,134	—	—	543,134
Investment securities measured at fair value through other comprehensive income	—	—	—	200	200
Trade and other receivables	—	13,768	—	—	13,768
Trade and other payables	—	(31,101)	(11,747)	—	(42,848)
	40,675	525,801	(11,747)	200	554,929

(e) Price risk

The Group is not exposed to market risk as it concludes contracts without price change adjustment for services after their sale.

(f) Interest rate risk

At the reporting dates the Group is not exposed to interest rate risk as there are no financial instruments with floating interest rates.

(g) Currency risk

The Group is subject to currency risk exposure when performing transactions in currencies other than its functional currency.

The Group's exposure to foreign currency risk was as follows:

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19. Financial instruments and financial risk management objectives and policies, continued

KZT'000	KZT	USD	Total
2021			
Cash	8,754	68	8,822
Repo receivables	8,005	–	8,005
Investment securities measured at fair value through profit and loss	555,203	–	555,203
Investment securities measured at fair value through other comprehensive income	200	–	200
Trade and other receivables	20,515	26	20,541
Trade and other payables	(46,755)	(15,079)	(61,834)
	545,922	(14,985)	530,937
2020			
Cash	8,400	3,561	11,961
Repo receivables	29,008	–	29,008
Investment securities measured at fair value through profit and loss	543,134	–	543,134
Investment securities measured at fair value through other comprehensive income	200	–	200
Trade and other receivables	13,768	–	13,768
Trade and other payables	(24,974)	(17,874)	(42,848)
	569,536	(14,313)	555,223

Financial instruments denominated in tenge are not exposed to foreign currency risk and are provided for reconciliation of total amounts.

Sensitivity analysis

A 20% weakening of tenge against the US dollar as at 31 December would have increased net loss by KZT 2,398 thousand (2020: KZT 2,863 thousand). This analysis assumes that all other variables remain constant.

(h) Capital management

The overriding objectives of the Group's capital management policy are to safeguard and support the business as a going concern and to maintain an optimal capital structure with a view to maximising returns to owners and benefits to other stakeholders by reducing the Group's cost of capital. The Group's overall policy remains unchanged from 2020.

20. Commitments and contingencies

(a) Kazakhstan's taxation contingencies

Inherent uncertainties in interpreting tax legislation

The Group is subject to uncertainties relating to the determination of its tax liabilities. Kazakhstan tax legislation and practice are in a state of continuous development and, therefore, are subject to varying interpretations and changes which may be applied retrospectively.

Management interpretations of such legislation in applying it to business transactions of the Group may be challenged by the relevant tax authorities and, as a result, the Group may be claimed for additional tax payments, including fines, penalties and interest charges that could have a material adverse effect on the Group's financial position and results of operations.

Period for additional tax assessments

Tax authorities in Kazakhstan have the right to raise additional tax assessments for three or five years after the end of the relevant tax period, depending on the taxpayer category or tax period. In certain cases, as determined by the tax legislation, the terms could be extended for three years.

Possible additional tax liabilities

Management believes that the Group is in compliance with the tax laws and any contractual terms entered into that relate to tax which affect its operations and that, consequently, no additional tax liabilities will arise. However, due to the reasons set out above, the risk remains that the relevant tax authorities may take a differing position with regard to the interpretation of contractual provisions or tax law.

20. Commitments and contingencies, continued

The resulting effect of this matter is that additional tax liabilities may arise. However, due to the range of uncertainties described above in assessing any potential additional tax liabilities, it is not practicable for management to estimate the financial effect in terms of the amount of additional tax liabilities, if any, together with any associated penalties and charges for which the Group may be liable.

(b) Insurance

The insurance industry in Kazakhstan is in a developing stage and many forms of insurance protection common in other parts of the world are not yet generally available. Available insurance programs may not provide full coverage in the event of a major loss.

(c) Legal commitments

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a materially adverse effect on the financial condition or results of operations of the Group. As at 31 December 2021, the Group was not involved in any significant legal proceedings.

21. Related party disclosures

Related parties include the following:

- Key executives.
- Parent company.
- Companies under common control.

(a) Management remuneration

Rewards received by key executives are included in personnel costs of administrative expenses (see note 6) amounted to KZT 105,070 thousand (2020: KZT 95,924 thousand).

(b) Transactions with related parties

KZT'000	Key executives	Parent company	Companies under common control	Total
2021				
Investments	—	—	—	—
Due from related parties	—	364	—	364
Due to related parties	—	(4,268)	—	(4,268)
Sales to related parties	—	497	—	497
Purchases from related parties	—	(25,608)	—	(25,608)
2020				
Investments	—	—	—	—
Due from related parties	39	218	280	537
Due to related parties	—	—	—	—
Sales to related parties	39	261	539	839
Purchases from related parties	—	(35,945)	—	(35,945)

No allowance is held against the amounts owed by related parties at 31 December 2021 and 2020. The impairment losses in relation to amounts owed by related parties was nil for the year (2020: nil).

(c) Terms and conditions of transaction with related parties

Prices for related party transactions are determined by the parties on an ongoing basis depending on the nature of the transaction.

22. Significant accounting policies

The following significant accounting policies have been consistently applied in the preparation of the consolidated financial statements.

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22. Significant accounting policies, continued

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange ruling rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate ruling at the date when their fair value was determined. Foreign currency differences arising on retranslation at the exchange rate on the date of the transaction as well as those from retranslation of monetary assets and liabilities at the reporting date are recognised in profit or loss.

The following exchange rates of the US Dollar were used in preparing the consolidated financial statements:

	2021	2020
Average for the year	426.03	412.95
At 31 December	431.80	420.91

(b) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain (loss) on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income (other expenses) in profit or loss.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of the individual asset to its estimated residual value. The expected remaining useful lives as follows:

- computers and office equipment 3-5 years;
- furniture and other 5-10 years.

Useful lives and residual values of property, plant and equipment are analysed at each reporting date.

(c) Impairment

The carrying amounts of non-current assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset-by-asset basis, except where such assets do not generate cash flows independent of other assets, in which case the review is undertaken at the cash generating unit level.

If the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount, a provision is recorded to reflect the asset or cash-generating unit at the lower amount. Impairment losses are recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The Group's cash-generating units are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

22. Significant accounting policies, continued

Reversals of impairment

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Accounts receivable

Accounts receivable are normally recognised at their nominal value less any expected credit loss and do not generally carry any interest. Expected credit losses are recognised in an allowance account if recoverable. Otherwise, the carrying amount of accounts receivable is written off.

Accounting policies for accounts receivable are provided in the *Financial instruments* section.

(e) Cash

Cash comprise cash at bank which is available on demand and subject to insignificant risk of changes in value and petty cash.

(f) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate thereof can be made. If the effect of the time value of money is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The provision is discounted, where material, and the unwinding of the discount is included in finance costs. Over time, the discounted provision is increased (decreased) for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. At the time of establishing the provision, a corresponding asset is capitalised where it gives rise to a future benefit and depreciated using a unit of production method.

(g) Retirement employee benefits

The Group does not have any pension arrangements separate from the state pension system of the Republic of Kazakhstan, which requires current contributions by the employer and employee calculated as a percentage of current gross salary payments.

(h) Revenues

At contract inception, the Group assesses the goods or services (assets) promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either an asset that is distinct or series of distinct assets that are substantially the same and that have the same pattern of transfer to the customer.

Commission income

Commissions are recognised as income in the period in which they are received, unless they relate to services that will be provided in future periods. If these are commissions for services that will be provided in future periods, they are deferred and recognised in the statement of income and expenses as services rendered during the term of the contract. Issuance fees and other one-time fees are also deferred and recognized during the contract period.

Interest income and expenses

Interest income is recognised in profit or loss as it accrues, with respect to the real return on the asset or the applicable floating rate. Interest income also includes amortisation of the premium or discount.

If the amount of a financial asset or group of financial assets is reduced in the financial statements due to impairment, interest income continues to be recognised at the original effective interest rate based on the new carrying amount.

Realised gains and losses recognised in profit or loss

Realised gains and losses on the sale of property, plant and equipment are calculated as the difference between the net proceeds from the sale and the original or amortised cost. Realised gains and losses are recognised in profit or loss when the sale is completed.

22. Significant accounting policies, continued

(i) Finance Income

Finance income comprises interest income on funds invested and foreign exchange gains. Interest income is recognised as it accrues, calculated in accordance with the effective interest rate method.

(j) Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items charged or credited directly to equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is determined using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognised only to the extent that it is probable to receive taxable income in future, which can be utilised against this asset. Amount of deferred tax assets are reduced to the extent that it is not probable that appropriate tax savings would be used.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(k) Financial instruments

The Group recognises financial assets and liabilities on its balance sheet when it becomes a party to the contractual provisions of the instrument.

Financial assets

Classification and initial measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at amortised cost, fair value through profit or loss or fair value through other comprehensive income. The Group determines this classification at initial recognition depending on the business model for managing the financial asset and the contractual terms of the cash flows.

Financial assets are classified and measured at amortised cost or fair value through OCI if the related cash flows are 'solely payments of principal and interest' on the principal amount outstanding. Financial assets with cash flows that are not 'solely payments of principal and interest' are classified and measured at fair value through profit or loss, irrespective of the business model.

At initial recognition financial assets are measured at fair value being the consideration received plus directly attributable transaction costs. Any gain or loss at initial recognition is recognised in the statement of profit or loss.

Subsequent measurement

Financial assets held for the collection of contractual cash flows that are solely payments of principal and interest (and classified as amortised cost) are subsequently measured at amortised cost using the effective interest rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium and fees or costs on acquisition. Unwinding of the difference between nominal and amortised values is included in finance income in the statement of profit or loss.

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

Derecognition

A financial asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses that might arise on financial assets measured at amortised cost. This assessment considers the probability of a default event occurring that could result in the expected cash flows due from a counterparty falling short of those contractually agreed.

22. Significant accounting policies, continued

Expected credit losses are estimated for default events possible over the lifetime of a financial asset measured at amortised cost. However, where the financial asset is not a trade receivable measured at amortised cost and there have been no significant increases in that financial asset's credit risk since initial recognition, expected credit losses are estimated for default events possible within 12 months of the reporting date.

Financial liabilities

Classification and initial measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortised cost or fair value through profit or loss. The Group determines the classification of its financial liabilities at initial recognition.

At initial recognition financial liabilities are measured at fair value being the consideration given. Financial liabilities at amortised cost additionally include directly attributable transaction costs.

Subsequent measurement

Trade and other payables and other financial liabilities are subsequently measured at amortised cost using the EIR method after initial recognition. Amortised cost is calculated by taking into account any discount or premium and fees or costs on acquisition. Unwinding of the difference between nominal and amortised values is included in finance costs in the statement of profit or loss.

Financial liabilities measured at fair value through profit or loss are carried on the balance sheet at fair value with subsequent changes recognised in finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

At each reporting date, the fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

23. Events after the reporting period

Russia's operation on the territory of Ukraine

Russia's special military operation on the territory of Ukraine, which began on February 24, caused an unprecedented tightening of economic sanctions against Russia by Western countries. These circumstances led to significant volatility of the Russian rouble and impacted the tenge. Thus, as at 16 March, the tenge exchange rate against the US dollar has reached 512.19 tenge/US dollar (an increase of 18.6% from the beginning of the year). As at the date of approval of the financial statements, the exchange rate amounted to 484.49 tenge/US dollar.

The continuation of the military operation and the further tightening of economic sanctions against Russia by Western countries may have an impact on the economy of Kazakhstan and the Company's operations.

Audit of the Agency of the Republic of Kazakhstan for the regulation and development of the financial market

On 25 February 2022, the Company received an Act based on the results of a selective audit of activities conducted by the Agency of the Republic of Kazakhstan for the regulation and development of the financial market (Act on the appointment of an audit No. 04-1-24/4 dated 22-Nov-2021).