

**GoldFinMarket LLP Microfinance
Organization**

Interim condensed financial statements (unaudited)

As at and for the nine months ended 30 September 2022

CONTENTS

| | Page |
|-----------------------------------------------------|-------------|
| Interim condensed financial statements (unaudited) | |
| Interim statement of financial position----- | 1 |
| Interim statement of comprehensive income ----- | 2 |
| Interim statement of cash flows ----- | 3 |
| Interim statement of changes in equity ----- | 4 |
| Notes to the financial statements (unaudited) ----- | 5-14 |

INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 September 2022

| <i>In thousands of tenge</i> | Notes | 30 September 2022 (unaudited) | 31 December 2021 (audited) |
|----------------------------------------|-------|-------------------------------------|----------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 5 | 277,553 | 569,435 |
| Loans issued | 6 | 5,119,148 | 4,812,112 |
| Property and equipment | 7 | 402,492 | 400,192 |
| Right of use assets | 8 | 601,965 | 308,408 |
| Intangible assets | | 2,088 | 2,316 |
| Deferred income tax assets | | 1,246 | 7,051 |
| Advances paid and other current assets | 9 | 62,233 | 71,016 |
| TOTAL ASSETS | | 6,466,725 | 6,170,530 |
| LIABILITIES | | | |
| Loans received | 10 | 2,046,163 | 2,201,848 |
| Lease liabilities | 11 | 668,955 | 393,611 |
| Trade and other payables | 12 | 52,062 | 67,874 |
| Current income tax payable | | 14,853 | 71,770 |
| Other taxes payable | | 6,646 | 5,412 |
| Total liabilities | | 2,788,679 | 2,740,515 |
| EQUITY | | | |
| Charter capital | 13 | 3,200,000 | 3,200,000 |
| Retained earnings | | 478,046 | 230,015 |
| Total equity | | 3,678,046 | 3,430,015 |
| TOTAL LIABILITIES AND EQUITY | | 6,466,725 | 6,170,530 |

The accompanying notes to the interim condensed financial statements form an integral part of these interim condensed financial statements.

Signed and authorized for issue on 24 February 2023 by the Company's management:

General Director

(Signature)
Nurmaganbetova G.

Chief accountant

(Signature)
Seitbekova A.



INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 30 September 2022

| <i>In thousands of tenge</i> | Notes | For the nine months ended | |
|-----------------------------------------------------------------------|-------|----------------------------------|----------------------------------|
| | | 30 September 2022 (unaudited) | 30 September 2021 (unaudited) |
| Interest income | 14 | 1,726,637 | 1,275,102 |
| Interest expenses | 15 | (473,368) | (218,111) |
| Net interest income | | 1,253,269 | 1,056,991 |
| (Accrual) / recovery of allowance for expected credit losses | 6 | (19,026) | (19,039) |
| Net interest income after allowance for expected credit losses | | 1,234,243 | 1,037,952 |
| General and administrative expenses | 16 | (905,211) | (850,419) |
| Foreign exchange income, net | | 27,192 | 3,700 |
| Profit before income tax | | 356,224 | 191,233 |
| Income tax expenses | 17 | (104,300) | (64,978) |
| Profit for the period from continuing operations | | 251,924 | |
| Discontinued operations | | | |
| Loss after tax for the period from discontinued operations | 4 | (3,893) | - |
| Profit for the period | | 248,031 | 126,255 |
| Other comprehensive income for the period | | - | - |
| Total comprehensive income for the period | | 248,031 | 126,255 |

The accompanying notes to the interim condensed financial statements form an integral part of these interim condensed financial statements.

Signed and authorized for issue on 24 February 2023 by the Company's management:

General Director

Chief accountant

 *Nurmaganbetova G.*

Seitbekova A.

INTERIM STATEMENT OF CASH FLOWS
For the nine months ended 30 September 2022

| <i>In thousands of tenge</i> | Notes | For the nine months ended | |
|------------------------------------------------------------------------------------------------|-------|----------------------------------|-------------------------------------|
| | | 30 September 2022 (unaudited) | 30 September 2021 (unaudited) |
| Cash flows from operating activities | | | |
| Profit before income tax from continuing operations | 17 | 356,224 | 191,233 |
| Loss before tax from discontinued operations | 4 | (3,893) | – |
| Profit before tax | | 352,331 | – |
| Depreciation and amortization | 16 | 218,596 | 205,464 |
| Accrual of provision for expected credit losses | 6 | 19,040 | 19,039 |
| Interest income | 14 | (1,726,637) | (1,275,102) |
| Finance costs | 15 | 447,610 | 219,099 |
| Change in lease terms | 16 | 134,971 | 90,383 |
| Income on disposal of property and equipment | | 13,314 | (85) |
| Unrealised foreign exchange (income) | | (17,402) | (3,037) |
| Cash flows from operating activities before changes in operating assets and liabilities | | (558,177) | (553,006) |
| Increase / (decrease) in loans issued | | 215,930 | (802,085) |
| Increase/ (decrease) in advances paid and other current assets | | 12,676 | (16,232) |
| Increase in other tax payables | | 1,234 | 825 |
| Decrease in trade payables | | (15,812) | (76,684) |
| Net cash flows used in operating activities before income tax | | (344,149) | (1,447,182) |
| Interest paid | 10 | (180,505) | (208,575) |
| Interest received | | 1,184,631 | 779,410 |
| Income tax paid | | (155,412) | (41,150) |
| Net cash used in operating activities | | 504,565 | (917,497) |
| Cash flows from investing activities | | | |
| Purchase of property and equipment | 7 | (106,910) | (303,621) |
| Purchase of intangible assets | | – | (352) |
| Disposed cash from discontinued operations | 4 | (3,893) | – |
| Net cash used in investing activities | | (110,803) | (303,973) |
| Cash flows from financing activities | | | |
| Contributions to charter capital | 13 | | |
| Loans received | 10 | 3,370,556 | 4,143,951 |
| Repayment of loans | 10 | (3,775,944) | (3,003,605) |
| Financial lease liabilities payments | 11 | (280,256) | (190,825) |
| Net cash from financing activities | | (685,644) | 949,521 |
| Net increase in cash and cash equivalents | | (291,882) | (271,949) |
| Effect of exchange rates changes on cash and cash equivalents | | – | – |
| Cash and cash equivalents at the beginning of the period | | 569,435 | 483,612 |
| Cash and cash equivalents at the end of the period | | 277,553 | 211,663 |

The accompanying notes to the interim condensed financial statements form an integral part of these interim condensed financial statements.

Signed and authorized for issue on 24 February 2023 by the Company's management:

General Director

Numaganbelova G.

Chief accountant

Seitbekova A.



INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2022

| <i>In thousands of tenge</i> | <i>Notes</i> | Charter capital | Retained earnings | Total |
|--------------------------------------------|--------------|------------------------|--------------------------|--------------|
| As at 1 January 2021 (audited) | | 3,200,000 | 143,616 | 3,343,616 |
| Profit for the year | | – | 126,255 | 126,255 |
| Other comprehensive income | | – | – | – |
| Total comprehensive income for the year | | – | 126,255 | 126,255 |
| Charter capital contribution | 13 | – | – | – |
| As at 30 September 2021 (unaudited) | | 3,200,000 | 269,871 | 3,469,871 |

| <i>In thousands of tenge</i> | <i>Notes</i> | Charter Capital | Retained earnings | Total |
|--------------------------------------------|--------------|------------------------|--------------------------|--------------|
| As at 1 January 2022 (audited) | | 3,200,000 | 230,015 | 3,430,015 |
| Profit for the year | | – | 248,031 | 248,031 |
| Other comprehensive income | | – | – | – |
| Total comprehensive income for the year | | – | 248,031 | 248,031 |
| Charter capital contribution | 13 | – | – | – |
| As at 30 September 2022 (unaudited) | | 3,200,000 | 478,046 | 3,678,046 |

The accompanying notes to the interim condensed financial statements form an integral part of these interim condensed financial statements.

Signed and authorized for issue on 24 February 2023 by the Company's management:

General Director

Nurmaganbetova G.

Chief accountant

Seitbekova A.



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)
For the nine months ended 30 September 2022

1. GENERAL INFORMATION

GoldFinMarket Microfinance Organization LLP (hereinafter - "the Company") is a limited liability partnership registered in the Republic of Kazakhstan in 2007. Last re-registration date is 3 November 2020 due to the change of the Company's name from GFM Microfinance Organization LLP.

The main office of the Company is registered at the address: Shayakhmetov street 3/2, Shymkent, Kazakhstan.

Physical location of the main office: Zheltoksan street 40, Shymkent, Kazakhstan.

Information about the Company's participants is provided in *Note 13*.

The Company announced the decision to suspend the license and sell its subsidiary, 100% ownership in Lombard GoldFinMarket LLP (Note 4).

The Company provides services in the field of pawnshops and is licensed to provide services in accordance with the legislation on microfinance activities. The subsidiary was established in October 2020.

The Company provides lending services for individuals, individual entrepreneurs, representatives of small and medium-sized businesses operating in the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on microfinance activities. The Company is licensed to carry out activities of a microfinance organisation and a pawnshop.

As at 30 September 2022, the Company had 122 employees (2021: 116 employees).

Kazakhstan business environment

The Company's operations are primarily located in Kazakhstan. Consequently, the Company 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 Company. Actual economic conditions can differ from those estimates.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)
For the nine months ended 30 September 2022

2. BASIS OF PREPARATION

The interim condensed financial statements of the Company for the nine months ended 30 September 2022 were prepared in accordance with IAS 34 Interim financial statements. These interim condensed financial statements have been prepared on a going concern basis.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2021.

The interim condensed financial statements are presented in tenge, and all amounts are rounded to the nearest thousand, except where otherwise indicated.

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates (the "Functional currency"). The financial statements are presented in Kazakhstani tenge, which is the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are denominated at the rate of exchange ruling at the balance sheet date. All differences are recognised in the statement of comprehensive income as income or expenses for the period.

As at 30 September 2022, the exchange rate of the Kazakhstan Stock Exchange used for translating foreign currency balances was 476.71 tenge for 1 US dollar (2021: 431.8 tenge to 1 US dollar).

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**Changes in accounting policy**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021, except for the adoption of new standards as at 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to the standards effective as of 1 January 2022.

New standards, interpretations and amendments

The Company first applied certain amendments to standards that are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted the standards, clarifications or amendments that were issued but are not effective.

The following amendments became effective as at 1 January 2022. These amendments and interpretations did not affect the financial statements of the Company:

- *Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37;*
- *Reference to the Conceptual Framework – Amendments to IFRS 3;*
- *Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16;*
- *Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-Time Adopter;*
- *Amendment to IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities;*
- *Amendment to IAS 41 Agriculture - Taxation in fair value measurements.*

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)
For the nine months ended 30 September 2022

4. DISCONTINUED OPERATIONS

On 12 April 2022, the Company announced the decision to suspend the license and sell a 100% share of Lombard GoldFinMarket LLP, a wholly owned subsidiary.

The sale of Lombard GoldFinMarket LLP was completed on 27 June 2022 for 70,000 thousand tenge, resulting in a pre-tax loss. The results of Lombard GoldFinMarket LLP for the period are presented below:

| <i>In thousands of tenge</i> | Notes | For the nine months ended | |
|-------------------------------------------------------------------|-------|-----------------------------------|----------------------------------|
| | | 30 September 2022 (unaudited)* | 30 September 2021 (unaudited) |
| General and administrative expenses | | (155) | (502) |
| Loss before income tax from discontinued operations | | (155) | (502) |
| Income tax expenses | 17 | - | - |
| Loss for the period from discontinued operations | | (155) | (155) |
| Loss from sale of the discontinued operations | | (3,738) | - |
| Attributable tax expense | | - | - |
| Loss after tax for the period from discontinued operations | | (3,893) | - |

*Represents four months of activity prior to the sale on 27 June 2022.

The net cash flows generated from the sale of Lombard GoldFinMarket LLP are, as follows:

| <i>In thousands of tenge</i> | |
|--------------------------------------------------------|----------------|
| Cash received from sale of the discontinued operations | 70,000 |
| Cash sold as a part of discontinued operations | (73,893) |
| Net cash outflow on date of disposal | (3,893) |

The net cash flows (incurred)/ generated by Lombard GoldFinMarket LLP are, as follows:

| <i>In thousands of tenge</i> | Notes | For the nine months ended | |
|-----------------------------------|-------|-----------------------------------|----------------------------------|
| | | 30 September 2022 (unaudited)* | 30 September 2021 (unaudited) |
| Operating | | (251) | (478) |
| Financing | | - | 5,000 |
| Net cash (outflow)/ inflow | | (251) | 4,522 |

*Represents four months of activity prior to the sale on 27 June 2022.

5. CASH AND CASH EQUIVALENTS

As at 30 September 2022 cash and cash equivalents were presented as follows:

| <i>In thousands of tenge</i> | 30 September 2022 (unaudited) | 31 December 2021 (audited) |
|------------------------------|-------------------------------------|-------------------------------|
| Cash on hand | 273,008 | 565,440 |
| Cash at current account | 4,545 | 3,995 |
| | 277,553 | 569,435 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**6. LOANS ISSUED**

As at 30 September 2022 loans issued were presented as follows:

| <i>In thousands of tenge</i> | 30 September 2022 (unaudited) | 31 December 2021(audited) |
|--------------------------------------|-------------------------------------|------------------------------|
| Loans secured by movable property | 5,094,893 | 4,713,673 |
| Unsecured loans | 41,984 | 18,528 |
| Loans secured by real estate | 52,839 | 131,494 |
| Allowance for expected credit losses | (70,568) | (51,583) |
| | 5,119,148 | 4,812,112 |

The main product of the Company is the issuance of loans for a period of 9 or 12 months secured by products made of precious metals (mainly gold).

The loans issued are secured by collateral with the following estimated value at the time of loan issuance:

| <i>In thousands of tenge</i> | 30 September 2022 (unaudited) | 31 December 2021(audited) |
|------------------------------|-------------------------------------|------------------------------|
| Movable property | 6,214,979 | 6,582,577 |
| Real estate | 118,355 | 321,465 |
| | 6,333,334 | 6,904,042 |

Movable property is represented mainly by precious metals, which are actually stored by the Company until the client fully repays the loan.

The movements of expected credit losses (ECL) are presented below:

| <i>In thousands of tenge</i> | 2022 |
|---------------------------------------|---------------|
| As at 1 January (audited) | 51,583 |
| Accrual of allowance for ECL | 19,040 |
| Write-off of allowance for ECL | (55) |
| As at 30 September (unaudited) | 70,568 |

The Company creates a provision for the impairment of issued loans, which is an estimate of expected credit losses.

As at 30 September 2022 the ageing of loans issued were presented as follows:

| <i>In thousands of tenge</i> | Gross amount of debt | Allowance for ECL | Loans, net of allowance for ECL | Allowance for ECL in relation to the amount of loans, % |
|------------------------------|-------------------------|----------------------|---------------------------------------|---------------------------------------------------------------|
| 2022 (unaudited) | | | | |
| Not past due | 4,058,440 | (53,889) | 4,004,551 | -1.34% |
| Past due 1 - 30 days | 482,289 | (6,661) | 488,950 | -1.38% |
| Past due 31 - 60 days | 117,609 | (1,303) | 116,306 | -1.11% |
| Past due 61 - 90 days | 68,663 | (764) | 67,899 | -0.01% |
| More than 91 days | 449,393 | (7,951) | 441,442 | -1.77% |
| Total loans issued | 5,189,716 | (70,568) | 5,119,148 | -1.36% |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

6. LOANS ISSUED (CONTINUED)

| <i>In thousands of tenge</i> | Gross amount of debt | Allowance for ECL | Loans, net of allowance for ECL | Allowance for ECL in relation to the amount of loans, % |
|------------------------------|----------------------|-------------------|---------------------------------|---------------------------------------------------------|
| 2021 (audited) | | | | |
| Not past due | 4,145,305 | (528) | 4,144,777 | -0.01% |
| Past due 1 - 30 days | 361,320 | (1,361) | 359,959 | -0.38% |
| Past due 31 - 60 days | 162,360 | (11,210) | 151,150 | -6.90% |
| Past due 61 - 90 days | 88,292 | (15,063) | 73,229 | -17.06% |
| More than 91 days | 106,418 | (23,421) | 82,997 | -22.01% |
| Total loans issued | 4,863,695 | (51,583) | 4,812,112 | -46.36% |

7. PROPERTY AND EQUIPMENT

As at 30 September 2022 property and equipment were presented as follows:

| <i>In thousands of tenge</i> | Building | Office furniture | Special equipment | Office equipment | Leasehold improvement | Other | Total |
|--------------------------------------------|--------------|------------------|-------------------|------------------|-----------------------|----------------|------------------|
| Cost: | | | | | | | |
| As at 31 December 2021 (audited) | – | 148,305 | 299,348 | 52,660 | 43,346 | 4,004 | 547,663 |
| Additions | 4,915 | 27,413 | 29,160 | 13,626 | 31,796 | – | 106,910 |
| Disposals | – | (1,506) | (995) | (113) | – | – | (2,614) |
| As at 30 September 2022 (unaudited) | 4,915 | 174,212 | 327,513 | 66,173 | 75,142 | 4,004 | 651,959 |
| Accumulated depreciation: | | | | | | | |
| As at 31 December 2021 (audited) | – | (35,687) | (53,537) | (34,996) | (21,673) | (1,578) | (147,471) |
| Charge for the year | (164) | (24,626) | (57,254) | (8,600) | (11,924) | (652) | (91,296) |
| Disposals | – | 624 | 515 | 85 | – | – | (10,700) |
| As at 30 September 2022 (unaudited) | (164) | (59,689) | (110,276) | (43,511) | (33,597) | (2,230) | (249,467) |
| Net book value: | | | | | | | |
| As at 31 December 2021 (audited) | – | 112,618 | 245,811 | 17,664 | 21,673 | 2,426 | 400,192 |
| As at 30 September 2022 (unaudited) | 4,751 | 114,523 | 217,237 | 22,662 | 41,545 | 1,774 | 402,492 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**7. PROPERTY AND EQUIPMENT (CONTINUED)**

Also in 2022 and 2021, the Company capitalized the costs of repairing the office space of the administrative office and branches of the Company in the amount of 31,796 and 43,346 thousand tenge respectively. Special equipment is mainly represented by analyzers of precious metals necessary for the evaluation of collateral when issuing loans.

8. RIGHT OF USE ASSETS

As at 30 September 2022 right of use assets were presented as follows:

| <i>In thousands of tenge</i> | 2022 |
|---------------------------------------|--------------------|
| Initial cost | |
| As at 1 January (audited) | 960,442 |
| Additions | 667,015 |
| As at 30 September (unaudited) | 1,627,457 |
| Amortization | |
| As at 1 January (audited) | (652,034) |
| Depreciation charges | (127,072) |
| Adjustments | (246,386) |
| As at 30 September (unaudited) | (1,025,492) |
| Cost | |
| As at 1 January | 308,408 |
| As at 30 September | 601,965 |

In order to issue loans, the Company rents commercial premises in the cities of the Republic of Kazakhstan, mainly in Shymkent for a period of 4 to 6 years. In 2022 the Company purchased analyzers and terminals, which were rented before. Lease liabilities are presented in *Note 11*.

9. ADVANCES PAID AND OTHER CURRENT ASSETS

As at 31 December 2021 advances paid and other current assets were presented as follows:

| <i>In thousands of tenge</i> | 30 September 2022 (unaudited) | 31 December 2021 (audited) |
|------------------------------|----------------------------------------------|-------------------------------------------|
| Advances paid for services | 60,376 | 69,205 |
| Other | 1,857 | 1,811 |
| | 62,233 | 71,016 |

10. LOANS RECEIVED

As at 30 September 2022 and 31 December 2021 loans received were presented as follows:

| <i>In thousands of tenge</i> | Funding purpose | Currency | Maturity date | Interest rate | 30 September 2022 (unaudited) | 31 December 2021 (audited) |
|------------------------------------|------------------------------------|-------------------|---------------|---------------|----------------------------------------------|-------------------------------------------|
| MINTOS FINANCE, SIA: | | | | | | |
| Loan agreement dated 26.07.2021 | Acquisition of a loan portfolio | Euro and Tenge | 31.12.2026 | 17.0-22.0% | 2,046,163 | 2,201,848 |
| | | | | | 2,046,163 | 2,201,848 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**10. LOANS RECEIVED (CONTINUED)**

In 2020, the Company signed a cooperation agreement with the online investment platform MINTOS FINANCE, SIA, a third party, according to which MINTOS FINANCE, SIA provides services for finding and attracting partners in order to invest their available funds in loans issued by the Company. Investing involves buying out the right of claim under consumer loan agreements and receiving remuneration. According to the agreement with MINTOS FINANCE, SIA, the Company undertakes to redeem the rights of claim for the assigned loans, in case they are not repaid within 60 days.

The loan movements for 2022 and 2021 were presented as follows:

| <i>In thousands of tenge</i> | At the beginning of the period | Receipt of loans | Repayment of loans | Accrued interest | Repayment of interest | Translation difference | At the end of the period |
|------------------------------|--------------------------------|------------------|--------------------|------------------|-----------------------|------------------------|--------------------------|
| 2022 | | | | | | | |
| (unaudited) | 2,201,848 | 3,370,556 | (3,775,944) | 368,643 | (101,538) | (17,402) | 2,046,163 |
| 2021 | | | | | | | |
| (audited) | 434,889 | 6,060,235 | (4,304,334) | 267,514 | (250,067) | (6,389) | 2,201,848 |

11. LEASE LIABILITIES

As at 30 September 2022 and 31 December 2021 lease liabilities were presented as follows:

| <i>In thousands of tenge</i> | 30 September 2022 (unaudited) | 31 December 2021 (audited) |
|---------------------------------|-------------------------------|----------------------------|
| As at 1 January | 393,611 | 465,631 |
| Additions | 667,015 | 256,265 |
| Payments | (359,223) | (322,886) |
| Unwinding of discount (Note 15) | 78,967 | 55,185 |
| Change in estimates | (111,415) | (60,584) |
| As at 31 December | 668,955 | 393,611 |
| <i>Including:</i> | | |
| Non-current portion | 270,270 | 346,880 |
| Current portion | 398,685 | 46,731 |
| | 668,955 | 393,611 |

The Company rents office space, cars and terminals. The Company recognized lease liabilities at the present value of lease payments. So, in 2022 the rate used to account for lease obligations was 12.8% (2021: 12.8%).

12. TRADE AND OTHER PAYABLES

As at 30 September 2022 trade and other payables were presented as follows:

| <i>In thousands of tenge</i> | 30 September 2022 (unaudited) | 31 December 2021 (audited) |
|-----------------------------------|-------------------------------|----------------------------|
| Accounts payable | 32,334 | 48,497 |
| Salary and related payables | 15,118 | 1,666 |
| Loan payments received in advance | 3,564 | 7,839 |
| Unused vacation reserve | 836 | 9,821 |
| Other accounts payable | 210 | 51 |
| | 52,062 | 67,874 |

13. CHARTER CAPITAL

As at 30 September 2022 the amount of the registered and paid-up authorized capital of the Company amounted to KZT 3,200,000 thousand (as at 31 December 2021: KZT 3,200,000 thousand).

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**13. CHARTER CAPITAL (CONTINUED)**

The Company's participants are represented by the following individuals who are citizens of the Republic of Kazakhstan:

| | 30 September 2022 (unaudited) | | 31 December 2021 (audited) | |
|-----------------|----------------------------------|----------------------------------|-------------------------------|----------------------------------|
| | Share, % | <i>In thousands of tenge</i> | Share, % | <i>In thousands of tenge</i> |
| Baidosova Akgul | 50.000 | 1,600,000 | 50.000 | 1,600,000 |
| Mukan Gulzhan | 33.594 | 1,075,000 | 33.594 | 1,075,000 |
| Mamyrbek Patima | 16.406 | 525,000 | 16.406 | 525,000 |
| | 100 | 3,200,000 | 100 | 3,200,000 |

14. INTEREST INCOME

For the nine months ended 30 September interest income was presented as follows:

| <i>In thousands of tenge</i> | For the nine months ended | |
|------------------------------|----------------------------------|----------------------------------|
| | 30 September 2022 (unaudited) | 30 September 2021 (unaudited) |
| Interest income | 1,619,695 | 1,166,965 |
| Income on fines and penalty | 102,851 | 108,095 |
| Other income | 4,091 | 42 |
| | 1,726,637 | 1,275,102 |

15. FINANCE COSTS

For the nine months ended 30 September finance costs were presented as follows:

| <i>In thousands of tenge</i> | For the nine months ended | |
|--------------------------------------|----------------------------------|----------------------------------|
| | 30 September 2022 (unaudited) | 30 September 2021 (unaudited) |
| Interest on loans received (Note 10) | 394,401 | 174,694 |
| Unwinding of discount (Note 11) | 78,967 | 43,417 |
| | 473,368 | 218,111 |

16. GENERAL AND ADMINISTRATIVE EXPENSES

For the nine months ended 30 September general and administrative expenses were presented as follows:

| <i>In thousands of tenge</i> | For the nine months ended | |
|-----------------------------------------------------------|----------------------------------|----------------------------------|
| | 30 September 2022 (unaudited) | 30 September 2021 (unaudited) |
| Depreciation and amortization | 231,690 | 205,256 |
| Salary expenses | 219,951 | 178,606 |
| Maintenance and repair of property and equipment | 160,343 | 243,169 |
| Accounting estimates amendment to IFRS 16 (Note 11 and 8) | 134,971 | 90,383 |
| Professional services | 62,817 | 53,074 |
| Advertising expenses | 37,200 | 6,168 |
| Bank commissions | 3,179 | 2,585 |
| Royalty | – | 21,200 |
| Other | 55,060 | 49,978 |
| | 905,211 | 850,419 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**17. CURRENT INCOME TAX PAYABLE**

For the nine months ended 30 September, income tax expense was presented as follows:

| <i>In thousands of tenge</i> | For the nine months ended | |
|-----------------------------------------------|----------------------------------|----------------------------------|
| | 30 September 2022 (unaudited) | 30 September 2021 (unaudited) |
| Corporate income tax | 43,391 | 42,586 |
| Corporate income tax for a non-resident (WHT) | 55,104 | 22,765 |
| Deferred income tax | 5,805 | (373) |
| Income tax expenses | 104,300 | 64,978 |

18. RELATED PARTY TRANSACTIONS

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter transactions that unrelated parties would not and also, transactions between related parties may not be made at the same amounts as between unrelated parties.

The following table shows the total amount of transactions with related parties for the nine months ended 30 September 2022 and 2021 and the corresponding balance as at 30 September 2022 and 31 December 2021, respectively:

| <i>In thousands of tenge</i> | Companies under common control | |
|------------------------------|-------------------------------------|-------------------------------|
| | 30 September 2022 (unaudited) | 31 December 2021 (audited) |
| Lease liabilities | (1,146) | (3,334) |
| | (1,146) | (3,334) |

| <i>In thousands of tenge</i> | For the nine months ended | |
|----------------------------------------|----------------------------------|----------------------------------|
| | 30 September 2022 (unaudited) | 30 September 2021 (unaudited) |
| Operations for the nine months: | | |
| Purchases from related parties | (83,175) | (44,274) |
| | (83,175) | (44,274) |

Compensation to key management personnel

During the year ended 31 December 2021 the key management personnel were presented by Chairman of the Management Board and Chief accountant. Remuneration of key management personnel includes the following positions:

| <i>In thousands of tenge</i> | For the nine months ended | |
|----------------------------------------|----------------------------------|----------------------------------|
| | 30 September 2022 (unaudited) | 30 September 2021 (unaudited) |
| Salaries and other short-term benefits | 10,739 | 7,777 |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

19. CONTRACTUAL AND CONTINGENT LIABILITIES**Insurance**

The Kazakhstan insurance market is still being developed and many insurance services popular in other countries are still not available in Kazakhstan. The Company does not provide full insurance coverage for its production facilities, losses due to suspension of production or third-party liabilities. Until the Company has an adequate insurance coverage, there is a risk that the loss or damage of certain assets might have a substantial negative impact on the Company's performance and financial position.

Legal claims

In the ordinary course of business, the Company may be the subject of legal action or litigation. In the opinion of management, there are currently no ongoing legal proceedings or claims that could have a material effect on the results of operations or the financial position of the Company.

Taxation

The tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for various interpretations. There are often cases of discrepancies between local, regional and republican tax authorities. The current regime of fines and penalties for identified and confirmed violations of Kazakhstan's legislation is strict. Penalties include fines, as a rule, in the amount of 50% of the amount of additional assessed taxes and penalties accrued at the refinancing rate established by the National Bank of the Republic of Kazakhstan, multiplied by 2.5. As a result, the amount of tax penalties may exceed the amounts of taxes that are subject to additional charge. Tax inspections can cover five calendar years of activity, immediately preceding the year of verification. Under certain circumstances, inspections may cover longer periods. Due to the uncertainties associated with the Kazakhstan tax system, the total amount of assessed taxes, penalties and fines (if any) may exceed the amount expensed as of this date and accrued as at 31 December 2021. Management believes that, as at 31 December 2021, its interpretation of the applicable laws is appropriate and that it is probable that the Company's tax position will be sustained.

20. SUBSEQUENT EVENTS

The Company has no subsequent events.