Title Broker International Ltd.
Private Company
Financial statements
and independent auditor's report

for the year ended December 31, 2024

TITLE BROKER INTERNATIONAL LTD. PRIVATE COMPANY

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TITLE BROKER INTERNATIONAL LTD. PRIVATE COMPANY

MANAGEMENT CONFIRMATION OF RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

The management of Title Broker International Ltd. Private Company (hereinafter – the Company) is responsible for the preparation of financial statements that present fairly the financial position of the Company on December 31, 2024, and its financial performance, cash flows and changes in equity for the year ended December 31, 2024, in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, management is responsible for:

- ensuring the right choice and application of accounting policies;
- presentation of information, incl. data on accounting policies in a form that ensures the relevance, reliability, comparability and comprehensibility of such information;
- disclosure of additional information in cases where compliance with IFRS is not sufficient for users to understand the financial statements of the impact that certain transactions, as well as other events or conditions, have on the financial position and financial performance of the Company, and;
- assessment of the Company's ability to continue operations in the foreseeable future.

The management of the Company is also responsible for:

- development, implementation and maintenance of an effective and reliable system of internal control of the Company;
- maintaining records in a form that allows you to disclose and explain the transactions of the Company, as well as provide at any date information of sufficient accuracy about the financial position of the Company and ensure that financial statements comply with IFRS;
- accounting in accordance with the legislation of the Astana International Financial Centre on regulation of financial services and the Republic of Kazakhstan;
- taking all reasonably possible measures to ensure the safety of the assets of the Company; and
- identification and prevention of facts of financial and other abuses.

These financial statements of the Company for the year ended December 31, 2024 were approved for issuance on April 10, 2024.

On behalf of the Company's management:

K. Shostak
Chief Executive Officer

T. Artiugina
Chief Financial Officer

March 31, 2025

Astana, Republic of Kazakhstan

Russell Bedford
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INDEPENDENT AUDITOR'S REPORT

To the management of Title Broker International Ltd. Private Company

Opinion

We have audited the financial statements of Title Broker International Ltd. Private Company (hereinafter – the Company), which comprise the statement of financial position on December 31, 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company on December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and our responsibilities under those standards are further described in the *Responsibilities of the Auditor for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were considered in the context of our audit as a whole and in forming our opinion on the financial statements. We do not express separate opinion on these matters.
In our audit of the financial statements of Quantum Capital Private Company Ltd for the year ended December 31, 2024, we highlighted the following key matters:

1. *Fair value measurement of financial instruments*

The Company invests in financial instruments whose fair values are determined based on valuation models. We focused on the valuation of these instruments because their fair values are based on complex assumptions and observable market data.
During the audit, we considered the valuation models used, the assumptions used and the calculation methodology.

2. *Assessment of going concern*

Taking into account the impact of external economic factors, we considered the adequacy of the disclosures provided in the financial statements and the reasonableness of the going concern assumption.
We assessed projected cash flows, available sources of funding and possible liquidity risks.
We performed procedures to test the adequacy and appropriateness of the disclosures on these matters in the financial statements.

Responsibilities of management and those responsible for corporate governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for the internal control system that management considers necessary to prepare financial statements that are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue to operate continuously, for disclosing, as appropriate, information related to business continuity, and for preparing statements based on the going concern assumption, unless management intends to liquidate the Company, terminate its activity or when it does not have any other real alternative, except liquidation or termination of activity.

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

Responsibilities of the auditor for the audit of the financial statements

Our goal is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion.

Reasonable assurance represents a high degree of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always reveal material misstatement, if any.

Misstatements may be the result of fraud or error and are considered material if it can reasonably be assumed that, individually or collectively, it may affect the economic decisions of users based on these financial statements.

We apply professional judgment and maintain professional skepticism throughout the audit as part of the audit conducted in accordance with the International Auditing Standards. In addition, we do the following:

- we identify and assess the risks of material misstatement of the financial statements due to fraud or error; we develop and conduct audit procedures in response to these risks; we obtain audit evidence that is sufficient and appropriate to serve as the basis for our opinion. The risk of not detecting material misstatement as a result of fraud is higher than the risk of not detecting material misstatement as a result of an error, as fraud can include conspiracy, forgery, intentional omission, misrepresentation of information or actions that bypass the internal control system;

- we gain an understanding of the internal control system that is relevant to the audit, with the aim of developing audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system; we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management;

- we conclude that it is legitimate for management to apply the going concern assumption, and based on the audit evidence obtained, it concludes that there is significant uncertainty in connection with events or conditions that could result in significant doubts about the Company's ability to continue its business. If we conclude that there is material uncertainty, we must draw attention in our audit report to the appropriate disclosures in the financial statements or, if such disclosures are inappropriate, to modify our opinion. Our findings are based on audit evidence obtained prior to the date of our audit opinion. However, future events or conditions may cause the Company to lose its ability to continue to operate continuously;

- we evaluate the presentation of the financial statements as a whole, its structure and content, including disclosure of information, as well as whether the financial statements represent the underlying operations and events in such a way that their reliable presentation is ensured

We carry out informational interaction with persons responsible for corporate governance, bringing to their attention, among other things, information about the planned volume and timing of the audit, significant observations on the results of the audit, as well as significant shortcomings of the internal control system that we identify during the audit.

Shyngysbek Sartayev
Auditor

The qualification certificate of the auditor No. MF-0000297 dated 9 November 2015.

Shyngysbek Sartayev
General Director
Russell Bedford A+ Partners PC

The License for auxiliary services No.AFSA-A-LA-2020-0024 issued by AFSA, the regulatory body of AIFC dated 1 July 2020.

55/20 Mangilik El Ave.

Z05T3D0, Astana, Republic of Kazakhstan

April 20, 2025

PRIVATE COMPANY TITLE BROKER INTERNATIONAL LTD.
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

In thousands of US dollars	Note	31.12.2024	31.12.2023
ASSETS			
Cash and cash equivalents	4	2,530	211
Financial assets measured at FVTPL	5	104	214
Property, plant and equipment		1	1
Other assets		128	8
TOTAL ASSETS		**2,763**	**434**
EQUITY AND LIABILITIES			
LIABILITIES			
Other liabilities		28	7
Advances received		2,309	-
TOTAL LIABILITIES		**2,337**	**7**
EQUITY			
Share capital	6(a)	200	200
Additional paid-in capital	6(b)	188	188
Provision for translation of reporting currency		(128)	17
Retained earnings (uncovered loss)		166	22
TOTAL EQUITY		**426**	**427**
TOTAL EQUITY AND LIABILITIES		**2,763**	**434**

On behalf of the Company's management:

Kyle Shostak
Chief Executive Officer

Tatiana Artiugina
Chief Financial Officer

March 31, 2025
Astana, Republic of Kazakhstan

The Notes form an integral part of these financial statements

PRIVATE COMPANY TITLE BROKER INTERNATIONAL LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

In thousands of US dollars	Note	2024	2023
Commission income	7	2,081	183
Commission expenses	8	(1,914)	(94)
Net fee and commission income		**167**	**89**
Interest income		37	6
Net income from operations with financial assets measured at FVTPL		233	–
Administrative expenses	9	(502)	(101)
Profit (loss) from exchange rate differences, net		209	14
Profit before tax		**144**	**8**
Income tax expense	10	–	–
Net profit for the period		144	**8**
Other comprehensive income:			
Exchange rate difference from the conversion foreign currency		(145)	5
Total comprehensive income for the period		**(1)**	**13**

On behalf of the Company's management:

Kyle Shostak
Chief Executive Officer

Tatiana Artiugina
Chief Financial Officer

March 31, 2025
Astana, Republic of Kazakhstan

The Notes form an integral part of these financial statements

PRIVATE COMPANY TITLE BROKER INTERNATIONAL LTD.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of US dollars	Note	Share capital	Additional paid-in capital	Provision for translation of reporting currency	Retained earnings (uncovered loss)	Total
At January 1, 2023		**200**	**5**	**12**	**14**	**231**
Financial aid from the owner	6(b)	–	183	–	–	183
Exchange rate difference from the conversion foreign currency		–	–	5	–	5
Net profit for the year		–	–	–	8	8
At December 31, 2023		**200**	188	**17**	**22**	**427**
Financial aid from the owner		–	–	–	–	–
Exchange rate difference from the conversion foreign currency		–	–	(145)	–	(145)
Net profit for the year		–	–	–	144	144
At December 31, 2023		**200**	**188**	**(128)**	**166**	**426**

On behalf of the Company's management:

Kyle Shostak
Chief Executive Officer

Tatiana Artiugina
Chief Financial Officer

March 31, 2025
Astana, Republic of Kazakhstan

The Notes form an integral part of these financial statements

Russell Bedford
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PRIVATE COMPANY TITLE BROKER INTERNATIONAL LTD.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

In thousands of US dollars	Note	2024	2022
OPERATING ACTIVITIES			
Commission income received		2,081	183
Commission expenses paid		(1,914)	(94)
Interest income received		37	6
Administrative expenses paid		(327)	(41)
Net profit (loss) from foreign exchange transactions		209	14
Cash flows from (used in) operating activities before changes in operating assets and liabilities		**86**	**68**
Changes in other assets		(120)	(3)
Changes in financial assets measured at FVTPL		110	–
Changes in advances received		2,309	–
Changes in other liabilities		21	4
Net cash flows from (used in) operating activities		**2,406**	**69**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1)	–
Acquisition of financial assets measured at FVTPL		–	(214)
Sale of financial assets measured at FVTPL		–	–
Net cash flows from (used in) investing activities		**(1)**	**(214)**
FINANCING ACTIVITIES			
Contributions to the share capital	6(a)	–	–
Financial aid from the owner	6(b)	–	183
Loan receipts		–	–
Loan repayments		–	–
Net cash flows used in financing activities		–	**183**
Net increase in cash		2,405	38
Effect of exchange rate changes		(86)	(55)
Cash and Cash Equivalents at the beginning of the year		211	228
Cash and Cash Equivalents at the end of the year		**2,530**	**211**

On behalf of the Company's management:

Kyle Shostak
Chief Executive Officer

Tatiana Artiugina
Chief Financial Officer

March 31, **2025**
Astana, Republic of Kazakhstan

The Notes form an integral part of these financial statements

1. GENERAL INFORMATION

Title Broker International Ltd. (hereinafter – the Company) is a private company incorporated under the acting law of Astana International Financial Centre (hereinafter – AIFC) in the Republic of Kazakhstan on 3 February 2022. The date of state re-registration is 14 July 2023. The Company operates under the license AFSA - A - LA - 2022 - 0022 dated 31 August 2022 (valid from 12 June 2023) issued by the regulator, the AIFC Financial Services Regulatory Committee.

The sole shareholder and ultimate controlling party of the Company is Mr. Sergei Ragulin, a citizen of the Russian Federation and resident of the Republic of Cyprus.

The registered and actual address of the Company is located at: 36 office, 30A Turan Avenue, Nura District, Astana, 010000, Republic of Kazakhstan.

According to the Charter, the Company carries out the following activities:

- activities in the field of brokerage services (dealing in Investments as Agent and Principal);
- arranging deals in investments;
- any other lawful activity for which companies may be registered in accordance with the AIFC Companies Regulations.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB.

Basis of measurement

These financial statements of the Company have been prepared under the historical cost convention.

Functional currency and presentation currency

The national currency of the Republic of Kazakhstan is the Kazakhstani tenge (KZT), which is the Company's functional currency. The Company prepares its financial statements in US dollars (USD) as the reporting currency for presentation to owners, investors and other stakeholders. The financial statements are prepared in tenge and translated into US dollars for presentation purposes in accordance with the following principles:

- assets and liabilities are converted from KZT to USD at year-end exchange rates;
- income and expenses are converted at average exchange rates for the year;
- equity transactions are converted at the exchange rate at the date of the transaction.

All financial information presented in US dollars has been rounded to the nearest thousand (in thousands of US dollars).

Going concern principle

The financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business for the foreseeable future.

The long-term economic stability of the Company depends on economic stability both in the country and in the world, and changes in the political and business environment in the Republic of Kazakhstan. Since it is currently impossible to determine the final outcome of these issues, the financial statements do not include any adjustments that could result from these uncertainties. Such adjustments, if any, will be disclosed in the Company's financial statements in the period when the need to recognize them becomes apparent and their numerical values can be estimated.

Application of new or revised standards and interpretations

Amendments to IFRS effective for the current year

The following amendments to IFRS are effective from 1 January 2024:

- Amendments to IFRS 16 Leases: Lease Liabilities in a Sale and Leaseback (issued on September 22, 2022 and effective for annual periods beginning on or after January 1, 2024);

- Classification as Current and Non-current Liabilities – Amendments to IAS 1 (issued on January 23, 2020, with amendments on July 15, 2020 and October 31,2022 and effective for annual periods beginning on or after January 1, 2024);

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Arrangements (issued on May 25, 2023 and effective for annual periods beginning on or after January 1, 2024).

IFRS that have been issued but are not yet effective

A number of new standards and interpretations have been issued that are mandatory for annual periods beginning on or after January 1, 2025, and that the Company has not early adopted. These are amendments to:

- IAS 21 Currency Convertibility Limitations,

- IFRS 18 Presentation and Disclosure in Financial Statements,

- IFRS 19 Subsidiaries without Public Accounting: Disclosures.

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2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUATION)

Application of new or revised standards and interpretations (continuation)

The Company's management does not expect that the application of the above standards will have a material impact on the Company's financial statements in future periods, except as noted below.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates named Lack of Exchangeability.

The amendments clarify how to assess whether a currency is exchangeable and how to determine the exchange rate if it is not. Due to the amendments a currency is exchangeable if the entity can obtain the exchange currency within a period that allows for normal administrative delay and through a market or exchange mechanism in which the exchange transaction creates enforceable rights and obligations.

An entity assesses whether a currency is exchangeable for another currency at the measurement date and for a specified purpose. If the entity can obtain no more than an insignificant amount of the exchange currency at the measurement date for that purpose, the currency is not exchangeable. The assessment of whether a currency is exchangeable depends on the entity's ability to obtain the exchange currency, rather than its intention or decision to do so.

If a currency is not exchangeable for another currency at the measurement date, the entity shall estimate the spot exchange rate at that date. An entity may use an observable exchange rate without adjustment or another measurement basis. An entity using another measurement basis may use any observable exchange rate — including rates from exchange transactions in markets or exchange arrangements that do not create enforceable rights or obligations—and adjust that rate, if necessary, to achieve the objective described above.

If an entity estimates a spot exchange rate because the currency is not exchangeable for another currency, it shall disclose information that enables users of its financial statements to understand how the non-exchange currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix that is an integral part of IAS 21. The appendix provides guidance on applying the requirements introduced by the amendments. The amendments also add new Illustrative Examples to IAS 21 that illustrate how an entity might apply some of the requirements in hypothetical situations based on limited facts.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 when assessing exchangeability.

The amendments are effective for annual periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity must apply the specific transition provisions included in the amendments.

The entity's management anticipates that the application of these amendments may have an impact on the entity's financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1 by transposing many of the requirements of IAS 1 unchanged and adding new requirements. In addition, some paragraphs of IAS 1 have been carried forward to IAS 8 and IFRS 7. Also, the IASB made minor amendments to IAS 7 and IAS 33 Earnings per Share.

FRS 18 introduces new requirements for:

- the presentation of certain categories and certain subtotals in the income statement;
- disclosure of performance measures determined by management in the notes to the financial statements;
- improving aggregation and disaggregation.

An entity shall apply IFRS 18 for annual periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, and the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application, subject to specific transition provisions.

The entity anticipates that the application of these amendments may have an impact on the entity's financial statements in future periods.

IFRS 19 Subsidiaries Without Public Accounts: Disclosures

IFRS 19 permits subsidiaries that are eligible to apply IFRSs to provide condensed disclosures in their financial statements when applying IFRS accounting standards. A subsidiary is eligible for reduced disclosure if it does not have public accounts and its ultimate or intermediate parent prepares consolidated financial statements that are available for public use and comply with IFRSs.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- as one of its principal activities, it holds assets as a fiduciary for a broad group of outsiders (for example, banks, credit unions, insurance companies, securities broker/dealers, mutual funds, and investment banks often meet this second criterion).

Entities eligible to apply IFRS 19 may apply it in their financial statements.

The new standard is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. If an entity elects to apply IFRS 19 for an annual period before it first applies IFRS 18, it shall apply the modified set of disclosure requirements in the Appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual period before it applies the amendments to IAS 21, it shall not apply the disclosure requirements in IFRS 19 about no exchange capability.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUATION)

Application of new or revised standards and interpretations (continuation)

The Company's management anticipates that the application of these amendments may have an impact on the Company's financial statements in future periods.

The Company is currently assessing the impact these amendments may have on the Company's accounting policy disclosures.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of these items and contingent liabilities and assets. Uncertainty about these assumptions and estimates could result in outcomes that could require future material adjustments to the carrying amounts of the assets and liabilities subject to those estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company's assumptions and estimates are based on the inputs it had at the time these financial statements were prepared. However, current circumstances and assumptions about the future may change due to market changes in circumstances beyond the Company's control. Such changes are reflected in the assumptions as they occur.

In assessing tax risks, management considers the likelihood that liabilities will arise in respect of areas of tax positions for which it is not probable that the Company will not appeal the assessments of the tax authorities or does not believe that the outcome of such appeals will be successful. Such estimates are based on significant judgments and are subject to change in the event of changes in tax legislation, estimates of the expected outcome of potential litigation and the outcome of ongoing compliance audits by the tax authorities.

3. SIGNIFICANT ACCOUNTING POLICIES

Transactions in foreign currencies

In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates at the date when the fair value was determined. Non-monetary items carried at historical cost in a foreign currency are not restated.

Foreign currency differences arising from changes in exchange rates are recognized in the statement of profit or loss and other comprehensive income in the period in which they arise.

Average exchange rates set by the Kazakhstan Stock Exchange (KASE) are used as the official exchange rates in the Republic of Kazakhstan.

The following exchange rates have been used in the preparation of these financial statements:

	2024		2023	
	End of the year	Average	End of the year	Average
Tenge	523,54	469,11	454.56	456.21

Cash and cash equivalents

Cash includes cash and short-term deposits in banks.

Property, plant and equipment

Property, plant and equipment are stated at initial cost, net of accumulated depreciation.

Subsequent expenditure is recognized in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed in the current period. Costs of replacing major parts or components of property, plant and equipment are capitalized and the replaced part is retired.

Profit or loss on disposal of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognized in profit or loss for the year.

Depreciation

Depreciation of assets begins when they become available for use. Depreciation is calculated using the straight-line method. The residual values of assets, useful lives and methods are reviewed at each financial year end and adjusted as appropriate. Costs related to repairs and renewals are expensed as incurred and included in general and administrative expenses, unless they qualify for capitalization.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUATION)

Lease

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are measured at the fair value of the property that is the subject of the lease or the present value of the minimum lease payments determined at the commencement date. The present value of the minimum lease payments is calculated by the Company using the rate of interest implicit in the lease. Any initial direct costs incurred by the Company (incremental costs directly attributable to negotiating and arranging the lease) are added to the amount recognized as an asset.

Lease liabilities

At the commencement date, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments. In order to calculate the present value, the Company uses an estimated interest rate that is similar to rates for similar leases or, if this is not possible to determine, the rate at which, at the commencement date, the lessee could borrow the funds necessary to purchase the asset for a similar term and with similar security.

After the commencement date, the lease liability is increased to recognize interest accruals and decreased to recognize lease payments made.

Short-term leases and leases of low-value assets

The Company applies the recognition exemption to short-term leases (i.e., leases that have a lease term of 12 months or less at the commencement date and do not contain a purchase option). The Company also applies the recognition exemption for leases of low-value assets to leases of office equipment. Lease payments for short-term leases and leases of low-value assets are recognized as rental expense on a straight-line basis over the lease term.

Significant judgment in determining the lease term in contracts with renewal options

The Company defines a lease term as a non-cancellable lease period together with periods subject to an option to extend the lease if reasonably certain to be exercised or periods subject to an option to terminate the lease if reasonably certain not to be exercised.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying future economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Liabilities for pensions and other employee benefits

The Company does not have any pension arrangements separate from the State pension system of the Republic of Kazakhstan, which requires current contributions by the employer calculated as a percentage of current gross salary payments. This expense is recognized in the accounting period to which the related salaries relate. The Company does not have any other pension arrangements requiring accrual.

Financial instruments - principal approaches to measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best evidenced by a quoted market price in an active market. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial instruments traded in an active market is measured as the amount obtained by multiplying the quoted market price for an individual asset or liability by the number of instruments held by the Company. This is the case even if the normal daily trading volume of the market is insufficient to absorb the number of assets and liabilities held by the entity and placing orders to sell positions in an individual transaction could affect the quoted market price.

Valuation models, such as discounted cash flow models, as well as models based on inputs from observable market-based similar transactions or consideration of financial data of the investee, are used to determine the fair value of financial instruments for which market-based transaction pricing information is not available. The results of fair value measurements are analyzed and categorized into the levels of the fair value hierarchy as follows:

- Level 1 measurements are those derived from quoted market prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 valuations are model-derived valuations with all significant inputs used that are either directly (e.g., price) or indirectly (e.g., derived from price) observable for the asset or liability;
- Level 3 valuations that are valuations not based solely on observable market data (i.e., the valuation requires significant unobservable inputs).

Transfers from level to level within the fair value hierarchy are deemed to have occurred at the end of the reporting period.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUATION)

Financial instruments - principal approaches to measurement (continuation)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. Incremental costs are costs that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financial expenses, internal administrative expenses or holding expenses.

Amortized cost is the amount at which the financial instrument was measured at initial recognition less principal repayments, reduced or increased by accrued interest and, for financial assets, less any valuation provision for expected credit losses. Accrued interest income and accrued interest expense, including both accrued coupon and amortized discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or, where appropriate, a shorter period to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of floating rate instruments to the next interest repricing date except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument or other variables that are set independently of market rates. Such premiums or discounts are amortized over the expected life of the instrument.

The present value calculation includes all fees and amounts paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are acquired or created credit-impaired (POCI) financial assets at initial recognition, the effective interest rate is adjusted for credit risk, i.e. calculated based on expected cash flows at initial recognition rather than based on contractual cash flows.

Initial recognition of financial instruments

Financial instruments at fair value through profit or loss (FVTPL) are initially recognized at fair value. All other financial instruments are initially recognized at fair value, including transaction costs. The best evidence of fair value at initial recognition is the transaction price. Profit or loss on initial recognition is only recognized if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation model whose inputs include only data from observable markets. Subsequent to initial recognition, the valuation provision for expected credit losses is recognized against financial assets measured at amortized cost and investments in debt instruments at fair value through other comprehensive income, resulting in the recognition of an accounting loss immediately upon initial recognition of the asset.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognized on the trade date, which is the date that the Company commits to purchase or sell the financial asset. All other purchases are recognized when the entity becomes a party to the contractual provisions of the financial instrument.

Classification and subsequent measurement of financial assets: measurement categories

The Company classifies financial assets using the following measurement categories: those at fair value through profit or loss, those at fair value through other comprehensive income and those at amortized cost. The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the relevant portfolio of assets and (ii) the cash flow characteristics of the asset.

Classification and subsequent measurement of financial assets: business model

The business model reflects how the Company manages assets to generate cash flows: whether the Company's objective is (i) only to collect contractual cash flows from the assets (holding assets to collect contractual cash flows), or (ii) the receipt of both contractual cash flows and cash flows arising from the sale of assets, or, if neither (i) nor (ii) applies, the financial assets are categorized as 'other' business models and are measured at fair value through profit or loss.

The business model is determined for the Company's assets (at the portfolio level) based on all relevant evidence of the activities the Company intends to undertake to achieve the objective established for the portfolio held at the valuation date. Factors considered by the Company in determining the business model.

Classification *and subsequent measurement of financial assets: cash flow characteristics*

If the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell them, the Company assesses whether the cash flows represent solely payments of principal and interest (the Solely Payments of Principal and Interest test or the SPPI test).

Financial assets with embedded derivatives are collectively assessed to determine whether the cash flows are solely payments of principal and interest. In making this assessment, the Company considers whether the contractual cash flows are consistent with the terms of the underlying loan agreement, i.e. interest only includes consideration for credit risk, time value of money, other risks of the underlying loan agreement and profit margin.

If the contractual terms give rise to an exposure to risk or volatility that is not in accordance with the terms of the underlying loan agreement, the financial asset is classified and measured at fair value through profit or loss. The test for payments of principal and interest only is met at initial recognition of the asset and no subsequent reassessment is made.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUATION)

Financial instruments - principal approaches to measurement (continuation)

Reclassification of financial assets

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. Reclassifications are made prospectively from the beginning of the first reporting period after the change in business model. The Company has not changed its business model during the current or comparative period and has not reclassified.

Impairment of financial assets

Valuation provision for expected credit losses. Based on forecasts, the Company estimates expected credit losses associated with debt instruments measured at amortized cost and at fair value through other comprehensive income and risks arising from loan commitments and financial guarantee contracts. The Company estimates expected credit losses and recognizes the valuation provision for credit losses at each reporting date.

The valuation of expected credit losses reflects:

- unbiased and probability-weighted amount determined by assessing the range of possible outcomes,
- (ii) the time value of cash and
- (iii) all reasonable and supportable information about past events, current conditions and projected future economic conditions that is available at the reporting date without undue cost or effort.

The Company applies a 'three-step' model for accounting for impairment based on changes in credit quality since initial recognition. The financial instrument that is not impaired at initial recognition is classified as Stage 1. For Stage 1 financial assets, expected credit losses are measured at an amount equal to the portion of the lifetime expected credit losses that result from defaults that may occur within the next 12 months or until the contractual maturity date if it occurs before the end of 12 months (12-month expected credit losses).

If the Company identifies significant increases in credit risk since initial recognition, the asset is transferred to Stage 2 and the expected credit losses on the asset are measured based on expected credit losses for the full term, i.e. to the contractual maturity date, but taking into account expected prepayments, if any (expected credit losses for the full term). If the Company determines that a financial asset is impaired, the asset is transferred to Stage 3 and its expected credit losses are measured as lifetime expected credit losses. For acquired or originated credit-impaired financial assets, the expected credit losses are always measured as lifetime expected credit losses.

Write-off of financial assets

Financial assets are derecognized in whole or in part when the Company has exhausted all practical possibilities of recovery and has concluded that expectations of recovery of such assets are unreasonable. The derecognition represents derecognition.

Derecognition of financial assets

The Company derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Modification of financial assets

The Company occasionally renegotiates or otherwise modifies the contractual terms of financial assets. The Company assesses whether a modification to the contractual cash flows is material, taking into account, among other things, the following factors: the existence of new contractual terms that significantly affect the risk profile of the asset (e.g. profit participation or return on equity), a significant change in interest rate, a change in currency denomination, new or additional credit enhancements that significantly affect the credit risk of the asset, or a significant extension of the term of the loan.

If the modified terms are substantially different such that the rights to cash flows from the original asset expire, the Company derecognizes the original financial asset and recognizes the new asset at fair value. The date of renegotiation is the date of initial recognition for the purpose of calculating subsequent impairment, including for the purpose of determining whether payments of principal and interest only are significantly different.

Any difference between the carrying amount of the original asset derecognized and the fair value of the new, significantly modified asset is recognized in profit or loss, unless the substance of the difference relates to an equity transaction with owners.

In situations where the renegotiation of terms has been caused by the counterparty's financial difficulties and its inability to make the originally agreed payments, the Company compares the original and adjusted expected cash flows of the asset to determine whether the risks and rewards of the asset are significantly different as a result of the modification of the contractual terms. If the risks and rewards are unchanged, the modified asset is not significantly different from the original asset and the modification does not result in derecognition.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUATION)

Financial instruments - principal approaches to measurement (continuation)

The Company recalculates the gross carrying amount by discounting the modified contractual cash flows at the original effective interest rate (or at the effective interest rate adjusted for credit risk on acquired or originated credit-impaired financial assets) and recognizes the gain or loss on the modification in profit or loss.

Categories of measurement of financial liabilities

Financial liabilities are classified as subsequently measured at amortized cost, except for: (i) financial liabilities at fair value through profit or loss: this classification applies to derivative financial instruments, financial liabilities held for trading, contingent consideration recognized by the acquirer in a business combination and other financial liabilities designated as such upon initial recognition; and (ii) financial guarantee contracts and financial guarantee liabilities, as appropriate.

Derecognition of financial liabilities

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged or expires).

Exchanges of debt instruments with substantially different terms between the Company and its original lenders and significant modifications to the terms of existing financial liabilities are accounted for as extinguishment of the original financial liability and recognition of a new financial liability. Terms are considered materially different if the discounted present value of the cash flows under the new terms, including all fees paid less fees received discounted at the original effective interest rate, differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability.

If a debt instrument exchange or modification is accounted for as an extinguishment, all costs or fees paid are recognized in profit or loss on extinguishment. If the exchange or modification is not accounted for as an extinguishment, all costs or fees paid are recognized as an adjustment to the carrying amount of the liability and amortized over the remaining life of the modified liability.

Modifications to a liability that do not result in its extinguishment are accounted for as a change in estimate using the cumulative amortization method retrospectively, with the gain or loss recorded in profit or loss, unless the economic substance of the difference in carrying amount relates to an equity transaction with owners.

Financial liabilities designated at fair value through profit or loss

The Company may designate certain liabilities as at fair value through profit or loss upon initial recognition. Profits and losses on such liabilities are presented in profit or loss, except for the amount of change in fair value attributable to changes in the credit risk of that liability (defined as the amount that is not attributable to changes in market conditions that give rise to market risk), which is recognized in other comprehensive income and is not subsequently reclassified to profit or loss. This is possible if such presentation does not create or exacerbate an accounting mismatch. In that case, profits and losses relating to changes in the credit risk of the liability are also recognized in profit or loss.

Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction from the proceeds.

Any excess of the fair value of consideration received over the par value of shares issued is recognized as additional paid-in capital.

Assets held in trust management

Assets held in trust are not recognized in the statement of financial position as they are not assets of the Company. These assets are recorded on off-balance accounts. The accounting treatment of assets held in trust is in accordance with the Company's accounting policies.

Recognition of income and expense

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company if the income can be reliably measured.

Interest and similar income and expense

The Company calculates interest revenue for debt financial instruments measured at amortized cost or at FVTPL by applying the effective interest rate to the gross carrying amount of financial assets or financial liabilities, other than credit-impaired financial assets. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts.

Fee and commission income

Fees and commissions earned for providing services over a period of time are accrued over that period. Such items include commission income and fees. Commissions (or a portion of commissions) that relate to performance obligations are recognized when the performance criteria have been met. Where a contract provides for variable consideration commission income is recognized only to the extent that it is highly probable that the subsequent resolution of the uncertainty inherent in the variable consideration will not significantly reduce the amount recognized as cumulative revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUATION)

Fee and commission income (continuation)

Fees and commissions earned for services rendered over a period of time are accrued over that period as the related performance obligations are fulfilled. Such items include commission income and fees for asset management, other management and advisory services.

Expenses

Expenses are recognized on an accrual basis when services have been rendered to the Company.

Taxation

Kazakhstani tax legislation and practice are in a state of continuous development and thus are subject to varying interpretations and frequent changes, which may apply retrospectively. The interpretation of tax and other legislation by the Kazakhstani tax authorities as applied to the transactions and activities of the Company may not coincide with that of management. As a result, tax authorities may challenge such transactions and the Company may be assessed additional taxes, penalties and interest. Fiscal periods remain open to review by the Kazakhstani tax authorities for up to five years.

The Company, as a member of the AIFC, benefits from value added tax, individual income tax payable by employees of the AIFC member. The Company's management believes that it has properly accrued all tax amounts based on its understanding of the applicable legislation.

4. CASH AND CASH EQUIVALENTS

In thousands of US dollars	31.12.2024	31.12.2023
Cash in deposit accounts with a maturity of up to 3 months	–	200
Cash in current accounts	2,054	3
Cash in brokerage accounts	476	8
Total:	**2,530**	**211**

Cash and cash equivalents were denominated in the following currencies on 31 December 2024 and 2023:

In thousands of US dollars	31.12.2024	31.12.2023
US dollar	1,931	208
RUB	597	–
Tenge	2	3
Total:	**2,530**	**211**

5. FINANCIAL ASSETS MEASURED AT FVTPL

As of December 31, 2024, the Company has investments in the amount of 104 thousand US dollars, in 121,000 short-term US bonds, maturing on January 16, 2025.

These debt securities are unsecured, non-current and unimpaired.

The management considers this fair value to be Level 1 input under the fair value hierarchy of IAS 13 "Fair Value Assessment" as the quoted price (unadjusted) in an active market for identical assets.

As of December 31, 2023, The Company invested 214 thousand US dollars in 214,000 short-term US bonds maturing on 23 January 2024.

6. EQUITY

a) Share capital

The share capital comprised of 200,000 ordinary shares which were issued, registered and fully paid on December 31, 2023 and December 31, 2024. The par value of one share of the Company's ordinary shares is 1 US dollar.

The Company's sole shareholder and ultimate controlling party is Mr. Sergei Ragulin (the owner), a citizen of the Russian Federation and resident of the Republic of Cyprus.

b) Additional paid-in capital

During 2023, the Company received gratuitous financial aid from the owner in the amount of 183 thousand US dollars (2022: 5 thousand US dollars). These funds were recorded within additional paid-in capital.

7. COMMISSION INCOME

The item is represented by commissions for brokerage services provided to customers.

Fee and commission income on contracts with customers is measured based on the consideration specified in the contract with the customer. The Company recognizes revenue when it provides a service to a customer.

8. COMMISSION EXPENSES

In thousands of US dollars	2024	2023
Agent's commission	1,289	–
Fees for Bloomberg services	51	56
Fees for custodial services	47	38
Exchange commission	47	–
Other commisions	480	–
Total:	**1,914**	**94**

9. ADMINISTRATIVE EXPENSES

In thousands of US dollars	2024	2023
Expenses on wages	316	36
Professional services	53	4
Membership fees	52	22
Taxes and payments to the budget	33	4
Lease expenses	21	19
Bank services	5	5
Other	22	11
Total:	**502**	**101**

10. INCOME TAX EXPENSE

Under the Constitution Act, AIFC members are exempt from corporate income tax on income derived from certain financial services provided within the AIFC until January 1, 2066.

11. CONTINGENT LIABILITIES

Tax contingencies in the Republic of Kazakhstan

Kazakhstan tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and republican tax authorities are not uncommon. The current regime of penalties and interest for discovered and confirmed violations of Kazakhstan tax legislation is severe. Penalties comprise fines, generally 50% of the amount of additionally assessed taxes, and interest 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 penalties and interest may be several times higher than the amount of additional taxes assessed. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Due to the inherent uncertainties in the Kazakhstan taxation system, potential taxes, penalties and interest, if any, may exceed the amounts recorded in the Company's financial statements for the year ended December 31, 2024

The management of the Company believes that all tax liabilities have been properly recognized and disclosed in the financial statements. However, there is a risk that the tax authorities may take differing interpretations of the provisions of the Tax Code and other legislation.

Legal proceedings

In the ordinary course of business, the Company may be subject to legal proceedings and claims. The management of the Company believes that the ultimate liability, if any, arising from such legal proceedings and claims will not have a material adverse effect on the Company's future financial condition or operations.

Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are generally not yet generally available. The Company does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on its property or relating to operations. Until the Company obtains adequate insurance coverage, there is a risk that damage to or loss of certain assets could have a material adverse effect on the Company's operations and financial position.

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11. CONTINGENT LIABILITIES (CONTINUATION)

Environmental issues

The management of the Company believes that it is currently in compliance with all existing environmental, health and safety laws and regulations of the Republic of Kazakhstan. However, these laws and regulations may change in the future. The Company is unable to determine in advance the timing and extent to which environmental, health and safety laws and regulations may change. In the event of such changes, the Company may be required to modernize its technology to meet more stringent requirements.

Off-balance sheet arrangements

In the normal course of business, the Company enters into agreements with clients with limited decision-making authority to manage client funds in accordance with certain criteria established by them. The Company is liable for losses caused by the Company's negligence or willful default until such funds or securities are returned to the client. The Company's maximum potential financial risk at any time will be equal to the volume of client funds plus/minus any unrealized profit/loss on the client's position.

The Company, in the ordinary course of its business, which is primarily investment and support services, maintains cash and securities on behalf of its clients in separate bank or brokerage accounts. These balances are held by the Company in a custodian and such assets and related liabilities are not included as 'assets' and 'liabilities' in these financial statements.

Customer cash balances and customer account balances on 31 December 2024 were as follows:

In thousands of US dollars	31.12.2024	31.12.2023
ASSETS		
Cash and cash equivalents	2,374	1,628
Securities	4,865	4,299
TOTAL ASSETS	**7,239**	**5,927**
LIABILITIES		
Customer accounts	2,374	1,628
TOTAL LIABILITIES	**2,374**	**1,628**
NET ASSETS	**4,865**	**4,299**

12. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Accounting classifications and fair values

The Company's financial instruments include short-term deposits in banks and cash in (nominee) accounts with servicing brokerage organizations. The disclosures in this note relate to financial assets and liabilities as defined in IAS 32 Financial Assets and Liabilities.

Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between knowledgeable, willing parties in an arm's length transaction under market conditions, other than in a forced or liquidation sale.

The management believes that the carrying value of the Company's financial liabilities, consisting of other payables, does not differ materially from their fair value on 31 December 2024.

The following table presents the carrying amounts and fair values of financial assets and liabilities on December 31:

In thousands of US dollars	Note	31.12.2024	31.12.2023
Financial assets:			
Cash and cash equivalents	4	2,530	211
Financial assets measured at FVTPL	5	104	214
Total:		**2,634**	**425**
Financial liabilities:			
Other liabilities		(28)	(5)
Advances received		(2,309)	
Total:		**(2,337)**	**(5)**

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, due to the uncertainties and subjectivity of the valuations, the fair value should not be interpreted as being realizable in an immediate sale of the assets or settlement of liabilities.

The fair values of financial assets and liabilities quoted in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair value using valuation techniques.

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12. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUATION)

Fair value measurement hierarchy

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or transfer the liability in an orderly transaction between market participants at the measurement date.

Financial instruments that are measured at fair value in the statement of financial position are grouped into three levels within the fair value hierarchy. These three levels are determined based on the visibility of significant inputs to the valuation, namely:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

In thousands of US dollars	Level 1	Level 2	Total
Cash and cash equivalents	–	2,530	2,530
Financial assets measured at FVTPL	104	–	104
Total:	104	**2,530**	**2,634**
Other liabilities	–	(28)	(28)
Advances received		(2,309)	(2,309)
Total:	–	**(2,337)**	**(2,337)**

The risk management function within the Company is carried out in respect of financial, operational and legal risks. Financial risks comprise market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimize these risks.

Country risk

The Company's operations are conducted in the AIFC and the Republic of Kazakhstan. The economy continues to display characteristics of an emerging market, including, but not limited to, the absence of a national currency that is freely convertible outside of the country.

In addition, laws and regulations governing business activities in the Republic of Kazakhstan and the AIFC are subject to frequent changes and the Company's assets and operations may be at risk due to adverse changes in the political and business environment.

The prospects for economic stability in the Republic of Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the government, together with legal, regulatory, and political developments, which are beyond the Company's control. The management believes that the Company is in compliance with all applicable laws and regulations to avoid the volatility of the Company's business in the current environment and is not taking any special measures to hedge the country risk.

Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Credit risk arises from the Company's lending and other transactions with counterparties giving rise to credit related financial assets and liabilities. The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the statement of financial position. For issued financial guarantees, loan commitments and export/import letters of credit, the maximum exposure to credit risk is the amount of the commitment.

The following table shows the balances of cash on current and deposit accounts with Kazakhstani banks at the reporting date, including credit ratings from international agencies:

In thousands of US dollars	31.12.2024	31.12.2023
with credit rating A+ (Fitch)	–	–
with credit ratings from BB – to BB+ (Fitch)	–	203
with credit ratings from B – to B+ (Fitch)	2,054	8
without rating	476	–
Total:	**2,530**	**211**

Valuation of expected credit losses (ECL)

Expected credit losses are a probability-weighted estimate of the present value of future cash losses (i.e. a weighted average of credit losses using the relevant default risks in a given period of time as weights). The valuation of expected credit losses is objective and is determined by calculating a range of possible outcomes. The expected credit losses are evaluated based on three components used by the Company: probability of default, amount of credit claim exposed to default risk, loss in the event of default.

12. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUATION)

Valuation of expected credit losses (ECL) (continuation)

Debt at Default - an estimate of the risk at a future date of default, taking into account expected changes in the amount of risk after the reporting period, including repayment of principal and interest, and expected utilization of loan commitments. *Probability of Default (PD)* – an estimate of the likelihood of default occurring within a specified period of time. *Loss given default (LGD)* - an estimate of the loss arising from default. It is based on the difference between the contractual cash flows to be paid and those that the creditor expects to receive, including from the realization of collateral. It is usually expressed as a percentage of the debt at the time of default *(EAD).*

Expected credit losses are modeled over the entire life of the instrument. The entire term of the instrument is equal to the remaining contractual maturity of the debt instruments, taking into account unexpected early redemptions, if any.

The management model *'Expected lifetime credit losses'* estimates losses that result from the occurrence of all possible events of default during the remaining term of the financial instrument. The 12-month expected credit losses model represents the portion of expected lifetime credit losses that arise from the occurrence of events of default on financial instrument that are reasonably possible within 12 months from the end of the reporting period, or within the remaining life of the financial instrument if shorter than one year.

For the purpose of assessing the probability of default, the Company defines default as a situation in which an exposure meets one or more of the following criteria:

- the borrower's default on contractual payments exceeds 180 days;
- international rating agencies include the borrower in the default rating class;
- the borrower meets the criteria of probable insolvency specified below:
- the borrower is insolvent;
- the borrower has breached the financial covenant(s);
- there is an increased likelihood that the borrower will initiate bankruptcy proceedings.

For disclosure purposes, the Company has aligned the definition of default with the definition of impaired assets. The above definition of default applies to all types of financial assets of the Company.

For cash and cash equivalents and for trade and other receivables, a significant increase in credit risk (SICR) is assessed on an individual basis. The assumption that there is a significant increase in credit risk from initial recognition if financial assets are more than 30 days past due is not rebutted. The Company considers that a financial instrument has a significant increase in credit risk when one or more of the following quantitative, qualitative or restrictive criteria are met.

For cash and trade and other receivables:

- 30 days late in payment;
- actual or expected increase in external ratings;
- other available information without undue cost.

The level of expected credit losses recognized in these financial statements depends on the presence of significant increase in the credit risk of the borrower since initial recognition. This approach is based on a three-stage model for estimating expected credit losses. Stage 1 - for a financial instrument that was not impaired at initial recognition and there has been no significant increase in credit risk since then, the valuation provision for credit losses is established on the basis of 12-month expected credit losses. Stage 2 - if a significant increase in credit risk since initial recognition is identified, the financial instrument is reclassified to Stage 2, but is not yet considered impaired, but the valuation provision for credit losses is established based on lifetime expected credit losses. Stage 3 - if the financial instrument is impaired, it is transferred to Stage 3 and the valuation provision for losses is established based on lifetime expected credit losses.

If there is evidence that the criteria for significant increase in credit risk are no longer met, the instrument is reclassified back to Stage 1. If the risk has been reclassified to Stage 2 based on a qualitative attribute, the Company monitors the attribute to ensure that it remains or changes.

Principles of evaluation based on external ratings

Certain instruments have external credit risk ratings, which are used to assess the credit risk parameters 'probability of default' and 'loss given default' based on default and recovery statistics published by the relevant rating agencies. This approach is applied to bonds issued by the government and large corporate clients.

Market risk

The Company is exposed to market risk arising from open positions in (a) currency, (b) interest rate and (c) equity instruments, all of which are exposed to general and specific market movements. The management sets limits on the level of risk exposure and monitors it on a daily basis. However, the application of this approach may not prevent losses in excess of these limits in the event of more significant market movements.

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12. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUATION)

Currency risk

Foreign exchange risk arises from the possibility that changes in foreign currency prices will affect the carrying amount. The Company is exposed to foreign currency risk as the value of its assets and liabilities denominated in US dollars will fluctuate due to changes in exchange rates.

The Company has cash on December 31, 2024 that is exposed to foreign currency risk (see note 4). The sensitivity analysis of +/- 15% weakening and strengthening of the tenge against the US dollar would not have a material impact on profit before tax.

Interest rate risk

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such fluctuations but may reduce or create losses in the event that unexpected movements arise. The management sets limits on the level of mismatch of interest rates that may be incurred and monitors compliance with such limits on a regular basis.

Liquidity risk

Liquidity risk refers to the possibility that the Company will encounter difficulty in raising funds to meet its financial liabilities. Liquidity risk may arise from the inability to realize a financial asset quickly at its fair value. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet commitments as they arise.

13. TRANSACTIONS WITH RELATED PARTIES

Related parties include the following:

- Key management personnel;
- Shareholder.

There were no transactions with key management personnel during the reporting period.

Transactions with shareholder

In thousands of US dollars	2024	2023
Commission income	1,622	7
Other liabilities	5	
Gratuitous financial aid	–	183
Total:	**1,627**	**190**

Transactions with the key management personnel

In thousands of US dollars	2024	2023
Salaries (including taxes and deductions from payroll)	248	-
Total:	**248**	-

14. EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting period.

15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and signed by the management of the Company on March 31, 2025.

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