

Private Fund “Bulat Utemuratov Foundation”

Consolidated Financial Statements

*For the Year Ended 31 December 2024
with Independent Auditor's Report*

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Independent Auditor’s Report

Consolidated Financial Statements

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Independent auditor's report

To the Management of Private Foundation «Bulat Utemuratov Foundation»

Opinion

We have audited the consolidated financial statements of Private Foundation «Bulat Utemuratov Foundation» and its subsidiary (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

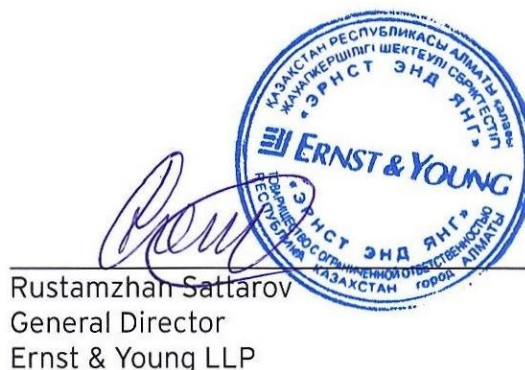
Ernst & Young LLP


Guldariya Zaripova
Auditor

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23 June 2025


Rustamzhan Sattarov
General Director
Ernst & Young LLP

State Audit License for audit activities on the
territory of the Republic of Kazakhstan:
series МФЮ-2, № 0000003, issued by the
Ministry of Finance of the Republic of
Kazakhstan on 15 July 2005

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

<i>In thousands of tenge</i>	Note	31 December 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	5	4,018,635	2,996,769
Intangible assets		35,788	41,438
Right-of-use assets	6	58,140	89,810
Investments in an associate	7	4,938,279	3,942,554
Other non-current assets		12,569	3,440
Advances issued for non-current assets	8	1,638,735	-
		10,702,146	7,074,011
Current assets			
Inventories	9	908,606	193,056
Prepayments and other current assets	10	10,880,027	28,236,755
Other current financial assets	11	2,751,275	5,135,667
Cash and cash equivalents	12	1,633,946	439,156
Total current assets		16,173,854	34,004,634
Total assets		26,876,000	41,078,645
Liabilities			
Current liabilities			
Trade and other payables	13	2,076,442	114,005
Unused charitable contributions	14	10,158,194	25,593,731
Lease liabilities	6	35,967	28,959
Liabilities under contracts with customers	15	2,287,515	1,873,293
Other current financial liabilities	17	-	3,207,789
Other current liabilities	16	657,115	657,882
Total current liabilities		15,215,233	31,475,659
Non-current liabilities			
Lease liabilities	6	36,349	72,316
Total non-current liabilities		36,349	72,316
Total liabilities		15,251,582	31,547,975
Net assets			
Retained earnings		9,170,487	7,494,147
Net assets attributable to the Fund's founders		9,170,487	7,494,147
Non-controlling interests	25	2,453,931	2,036,523
Total net assets		11,624,418	9,530,670

CEO

Finance Director



Частный фонд
"Фонд Булата
Утемуратова"

A. Kurbozova

G. Murzalinova

The notes on pages 5 to 39 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the Year Ended 31 December 2024**

<i>In thousands of tenge</i>	Note	2024	2023
Income	18	53,442,386	19,805,845
Cost of sales	19	(51,921,134)	(18,293,358)
Gross profit		1,521,252	1,512,487
Administrative expenses	20	(1,533,792)	(1,198,183)
Selling expenses		(34,664)	(24,298)
Other income	21	204,151	75,384
Other expenses	21	(12,604)	(166,067)
Operating profit		144,343	199,323
Group's share in profit or loss of the associate	7	995,725	49,387
Finance income	22	639,525	169,304
Finance costs	23	(44,666)	(43,712)
Foreign exchange gains/(losses), net		377,509	(63,072)
Profit before tax		2,112,436	311,230
Income tax expense	24	(16,508)	(13,129)
Profit for the year		2,095,928	298,101
Other comprehensive income			
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the year, net of tax		2,095,928	298,101
Attributable to:			
Fund's owners		1,676,340	193,974
Non-controlling interests	25	417,408	104,127
		2,093,748	298,101

CEO

Finance Director



Частный фонд
"Фонд Булата
Утемуратова"

A. Karbozova
G. Murzalinova

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CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended 31 December 2024

<i>In thousands of tenge</i>	Net assets attributable to the Fund's founders	Non-controlling interests	Total net assets
At 1 January 2023	7,300,173	1,932,396	9,232,569
Profit for the year	193,974	104,127	298,101
Total comprehensive income for the year	193,974	104,127	298,101
At 31 December 2023	7,494,147	2,036,523	9,530,670
Profit for the year	1,676,340	417,408	2,093,748
Total comprehensive income for the year	1,676,340	417,408	2,093,748
At 31 December 2024	9,170,487	2,453,931	11,624,418

CEO

Finance Director



A. Karbozova

G. Mirzalinova

The notes on pages 5 to 39 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS**For the Year Ended 31 December 2024**

<i>In thousands of tenge</i>	<i>Note</i>	2024	2023
Operating activities			
Cash inflows from charities		31,100,159	40,073,722
Cash inflows from clients		7,296,579	6,628,207
Cash paid to suppliers		(11,170,344)	(2,792,933)
Salaries and related tax expenses		(3,660,301)	(3,140,294)
Charity support provision		(18,729,236)	(33,182,486)
Payments to the budget		(628,085)	(475,217)
Interest paid on loans		(27,009)	(40,673)
Interest paid on lease liabilities		-	(17,181)
Other outflows		(417,829)	(17,506)
Net cash flows from operating activities		3,763,934	7,035,639
Investing activities			
Interest received from deposits		671,702	116,039
Placement of deposits with banks		(50,220,533)	(27,179,346)
Withdrawal of deposits from banks		49,427,586	28,734,791
Purchase of securities		(17,224,122)	(3,233,864)
Sale of securities		20,617,758	-
Purchase of property, plant and equipment		(2,809,841)	(214,221)
Proceeds from sale of property, plant and equipment		8,545	-
Purchase of intangible assets		(480)	(7,928)
Net cash flows from / (used in) investing activities		470,615	(1,784,529)
Financing activities			
Proceeds from loans received		20,544,433	26,518,700
Payments on loans received		(23,751,733)	(31,370,400)
Payments under lease contracts		-	(21,468)
Net cash flows used in financing activities		(3,207,300)	(4,873,168)
Net change in cash and cash equivalents		1,027,249	377,942
Effects of changes in foreign exchange rates on cash and cash equivalents		167,541	(11,969)
Cash and cash equivalents as at 1 January		439,156	73,183
Cash and cash equivalents as at 31 December	12	1,633,946	439,156

CEO

Finance Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**For the Year Ended 31 December 2024**

1. GENERAL INFORMATION

Private Fund “Bulat Utemuratov Foundation” (the “Fund”) and its subsidiary– Non-profit Joint Stock Company “Haileybury Astana School” (jointly, the “Group”) mainly operate in Kazakhstan.

The Fund is a not-for-profit organization as defined in the Civil Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan *On Not-for-profit Organizations*. The Fund was established on 27 February 2014. On 8 June 2018, the Almaty Department of Justice registered the change in the entity’s name: Private Fund “Bulat Utemuratov Charity Foundation “Asyl Miras” was renamed to Private Fund “Bulat Utemuratov Foundation”.

The Fund is incorporated, domiciled and operates in the Republic of Kazakhstan. The Fund’s legal address is 155 Tazhibayeva str., Bostandyk district, Almaty.

The Fund was established by B. Zh. Utemuratov. The Fund is primarily financed through the Founder’s contributions and charity support from legal entities.

Bulat Utemuratov Foundation is a multi-project foundation that provides systematic support in health, cultural and educational spheres, promotes a better quality of life for the community and is actively involved in the related projects. As part of the Autism. One World for All initiative, 13 Autism Centres for children with autism spectrum disorders successfully operate in 12 cities of Kazakhstan: Astana, Almaty, Kyzylorda, Ust-Kamenogorsk, Aktobe, Uralsk, Shymkent, Petropavlovsk, Pavlodar, Taraz, Karaganda and Semey. In 2022, the Fund established a Resource Centre as its division. One of its key objectives is to apply high-level Asyl Miras methodological standards throughout all Autism Centres by introducing continuous monitoring and professional training. In addition, the Fund implements educational projects for schoolchildren, health and cultural projects for the community, periodically provides targeted aid to those affected by natural and industrial disasters and carries out social infrastructure projects, thus contributing to the regional development.

The Fund’s subsidiary– Non-profit Joint Stock Company “Haileybury Astana School” (“Haileybury Astana School”) is a Kazakhstan-based not-for-profit organization as defined in the Civil Code of the Republic of Kazakhstan. The subsidiary is mainly involved in educational activities such as providing nursery education and pre-school teaching, primary education, basic secondary education and general secondary education on the basis of Haileybury Astana School. The subsidiary operates in conformity with the curricula and educational programmes based on the UK educational standard of Haileybury Enterprises Limited and integrating the educational requirements of the Republic of Kazakhstan.

These consolidated financial statements were approved for issue by the Fund’s CEO and Financial Director on 23 June 2024.

2. BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (the “IASB”).

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements. The consolidated financial statements are presented in Kazakhstani tenge (“tenge” or “KZT”), and all monetary amounts are rounded to the nearest thousands, except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent and its subsidiary as at 31 December 2024 and 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- Ability to use its power over the investee to affect its variable returns.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Basis of consolidation (continued) Generally, there is a presumption that a majority of voting rights results in control. To support this assumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- Voting rights or potential voting rights belonging to the Group.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three components of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Group's parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to intra-group transactions are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. The Group recognises any retained investment at its fair value.

Non-controlling interests

the non-controlling interests are measured as a proportionate share of the identifiable net assets of the subsidiary where the Group's ownership interest is less than 100%. Changes in the ownership interest of a subsidiary, without a loss of control, are accounted for as equity transactions.

Subsidiaries

Subsidiaries are those entities that are controlled by the Group. The Group controls a subsidiary when the Group is exposed, or has rights, to variable returns from its involvement with the investee or has the ability to use its power over the investee to affect its returns. The amounts of the financial statements of the subsidiaries are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The subsidiaries' accounting policies were subject to change when it was necessary to bring them to compliance with the Group's accounting policies.

Transactions eliminated on consolidation

Intra-group balances and transactions and the unrealised income and expenses from intra-group transactions are eliminated. Unrealised gains on transactions with equity-method investees are eliminated by reducing the value of the investment within the Group's share in such investee. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**2. BASIS OF PREPARATION (continued)****Participation in equity-method investees**

The Fund’s participation in equity-method investees includes participation in associates.

Associates are entities over which the Fund has significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. When the Group holds 20 to 50 per cent of voting rights in an entity, it is assumed that it has significant influence over such entity.

The Group’s investment in its associate is accounted for using the equity method. The Group recognises its share in investees’ profit or loss and other comprehensive income in its consolidated financial statements. This share is calculated with due account of necessary adjustments to be made to bring the specific investee’s accounting policies in line with the Fund’s accounting policies starting from the date when significant influence is obtained.

When the Group’s share of the equity-method investee’s losses exceeds its ownership share in such investee, the carrying amount of this share (including any long-term investments) is reduced to zero and the Group does not recognise any further losses, unless the Group assumed obligations to reimburse for such investee’s losses or made payments on its behalf.

Foreign currency translation

The Fund’s consolidated financial statements are presented in Tenge, which is the functional currency of the Fund and its subsidiary.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates at the reporting date. Any differences arising on repayment or translation of monetary items are recognised in profit or loss.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Foreign currency translation

Weighted average currency exchange rates established by Kazakhstan Stock Exchange (“KASE”) and published by the National Bank of the Republic of Kazakhstan are used as currency exchange rates in the Group.

US dollar exchange rate established by KASE were as follows:

	At 31 December 2024	At 31 December 2023
US dollar	469.44	454.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**Income recognition***Income from charities*

Income from charities is represented by sponsor or charitable contributions. Contributions made to the Group are of a voluntary nature. Contributions are recognised as income by projects, their intended purpose in the year when they were used for their intended purpose. Contributions received but used for their intended purpose after the reporting date are recognised within liabilities, in full or in part, within their actual use.

Revenue from contracts with customers from educational services

The subsidiary's revenue consists mainly of revenue from educational services. Revenue from educational services represents the fair value of the consideration received or receivable and is recognised when the amount can be measured reliably, it is probable that the subsidiary will receive economic benefits associated with the provision of services, the stage of completion of services as at the end of the reporting period can be measured reliably and the costs incurred to perform the operation and the costs necessary to complete it can be measured reliably.

The subsidiary provides educational services in English, except for linguistic disciplines, in accordance with the developed curricula. The total remuneration under the contracts for provision of educational services is allocated to services provided based on stand-alone selling prices. The stand-alone selling prices are determined based on the prices in the price lists at which the subsidiary would sell these services separately.

Under the contracts with customers for provision of educational services, the subsidiary defined one performance obligation, for which revenue is recognised over time. Payment is made by an advance issued for 100% of the tuition fee or in three tranches.

Revenue from contracts with customers from the sale of school uniform based on a consignment agreement

Sale on the consignment terms is a sale where the products have been physically delivered to the counterparty; however, the counterparty is not obliged to pay for them until they have been sold to the end buyer or used by the counterparty. The subsidiary (consignor) retains the ownership rights for the products while the counterparty (consignee) acts as a sales agent. The consignee receives commission fee for the products sold and regularly transfers cash from these sales, net of the commission fee received, to the consignor. In addition, the products transferred under the consignment agreement, if they are not sold or used, can be returned to the consignor.

The attributes of a consignment agreement are as follows: (a) the products are controlled by the entity until a certain event, such as the sale of products to the dealer's customer, or until the expiration of a certain period; (b) the entity may request to return the products or transfer the products to a third party (e.g., another dealer); and (c) the dealer has no unconditional obligation to pay for the products (however, the dealer may be required to make a deposit).

Revenue from contracts with customers from the sale of school uniform based on a consignment agreement continued)

As a result, under consignment agreements, revenue is not recognised when the products are supplied to the consignee because performance obligation for products supply to the end buyer has not yet been satisfied. Revenue from the sale of school uniform to students is recognised at a point in time, when control over the goods is transferred to the buyer, which is when the goods have been transferred to the buyer. The payment is made based on the issued invoice at the date of sale.

Significant financing component

The subsidiary receives prepayment for provision of educational services. As a practical expedient, the subsidiary does not adjust the promised amount of consideration for the effects of a significant financing component since the period between the subsidiary's transfer of the promised service to the buyer and the buyer's payment for such service is one year or less.

Expense recognition

Expenses are accounted for at the time the actual flow of the related goods or services occurs, regardless of when cash or its equivalent is paid, and are reported in the consolidated financial statements in the period to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Finance income and costs**

The Group's finance income includes income on bank deposits and foreign exchange gains.

Interest income or expense is recognised through the effective interest rate (EIR) method. Foreign exchange gains or losses are recognised on a net basis as finance income or finance costs depending on whether the net amount is positive or negative.

Employee benefits*Short-term employee benefits*

No discounting is applied to determine short-term employee benefits and the related costs are recognised when an employee provides a service. A liability is recognised for the amounts expected to be paid under a short-term scheme of bonus and profit-sharing payments when the Group has an existing legal or constructive obligation to make such payment arising from the employee's past service and the amount of such liability can be measured reliably.

Inventories

Inventories are recognised at the lower of cost and net realisable value. The cost of inventories is determined using the weighted-average inventory costing method and includes the purchase cost and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the Group's ordinary course of business less the estimated costs necessary to make the sale.

Property, plant and equipment

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

The cost of acquired property, plant and equipment consists of the purchase price or construction cost, any other costs directly attributable to bringing the asset to operating condition and initial estimate of the asset liquidation cost, where necessary. The purchase price or construction cost is the aggregate paid amount and/or the fair value of any other consideration given to acquire the asset.

Any further costs are included in the asset's carrying amount or recognised as a separate asset only if it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced component is written off. All other repair and maintenance expenses are recognised in profit or loss as incurred.

Any gain or loss on disposal of property, plant and equipment in the amount of the difference between the proceeds from disposal and their carrying amount is recognised within other operating income or expenses in profit or loss for the year.

Construction-in-progress is recorded at cost. When the construction is completed, the assets are transferred to property, plant and equipment at their carrying amount. No depreciation is accrued on construction-in-progress until the asset is ready for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)****Property, plant and equipment (continued)***Useful life of property, plant and equipment*

The items of property, plant and equipment other than land and construction-in-progress are depreciated so that their depreciable amount is written off over their useful life. They are depreciated using the straight-line method at the following approved annual rates:

Buildings and constructions	5-40 years
Machinery and equipment	20 years
Vehicles	10 years
Other	4-10 years

The estimated useful lives and residual values of property, plant and equipment are analysed as at each reporting date and adjusted, as necessary.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the asset's value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the asset's fair value less costs of disposal, an appropriate valuation technique is used.

Impairment losses are recognised in profit and loss in those expense categories that are consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Intangible assets*(i) Recognition and measurement*

Intangible assets acquired by the Group and having finite useful lives are recognised at cost less accumulated amortisation and impairment losses.

(ii) Subsequent costs

Subsequent costs are capitalised in the cost of the specific intangible asset if additional future economic benefits embodied in the asset will arise from the expenditure. All other costs are recognised in profit or loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Intangible assets***(ii) Subsequent costs (continued)*

Subsequent costs are capitalised in the cost of the specific intangible asset if additional future economic benefits embodied in the asset will arise from the expenditure. All other costs are recognised in profit or loss as incurred.

Amortisation

The amortisation charge is calculated based on the asset's cost, less any estimated residual value.

As a rule, amortisation is charged from the date when these assets are ready for use and recognised in profit or loss for the period on a straight-line basis over their corresponding useful lives since this is the method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset by the entity.

In the reporting period, the expected useful lives of the intangible assets were as follows:

- Software 3–10 years.

At each reporting year end, the methods of amortisation, useful lives and residual values are analysed for the need to review them and are reviewed, if appropriate.

Current versus non-current classification

The Group presents assets and liabilities based on current versus non-current classification in the consolidated statement of financial position. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Financial instruments – initial recognition and subsequent measurement (continued)***Financial assets (continued)**Initial recognition and measurement (continued)*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures its financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables and financial aid paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**Financial instruments – initial recognition and subsequent measurement (continued)***Financial assets (continued)**Subsequent measurement (continued)*Financial assets at fair value through profit or loss

The category of financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss or financial assets that are subject to measurement at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated by the Group as effective hedging instruments. The financial assets that give rise to cash flows that are not 'solely payments of principal and interest (SPPI)' are classified and measured at fair value through profit or loss irrespective of the business model used. Despite the criteria for debt instruments classification as financial assets at amortised cost or at fair value through other comprehensive income, as described above, at initial recognition, the Group may designate debt instruments as financial assets at fair value through profit or loss, if such classification eliminates or significantly reduces the accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value, with net changes in fair value recognised in the statement of profit or loss and other comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised (i.e., excluded from the Group's consolidated statement of financial position), if:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When the Group has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Financial instruments – initial recognition and subsequent measurement (continued)*****Financial assets (continued)******Impairment of financial assets (continued)***

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, and borrowings.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial assets at fair value through profit or loss; and
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

The category of financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, financial liabilities of this category are subsequently measured at amortised cost using the EIR method. Gains and losses on such financial liabilities are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

The amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of comprehensive income. This category mainly includes trade and other payables and borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Financial instruments – initial recognition and subsequent measurement (continued)*****Financial liabilities (continued)******Derecognition***

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

Offsetting of financial instruments

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

Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Deferred expenses

Deferred expenses are recognised in the amount of cash paid. Subsequently, the expenses are recognised in the consolidated statement of comprehensive income based on the amortisation on a straight-line method over the reporting periods to which they relate.

Such recognition and accounting method is based on the matching principle, which assumes that mirror accounting should be used to recognise income and expenses representing direct and joint results of the same transactions or events.

Provisions

Provisions are recognised in the consolidated financial statements when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

When the time value of money has a material effect, the provisions are calculated by discounting the expected future cash flows using a pre-tax rate that reflects the current market assessments of the time value of money and, where relevant, risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Lease

The Group assesses at contract inception whether an arrangement is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Lease (continued)***Group as a lessee (continued)**Right-of-use assets*

The Group recognises 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 cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or a rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases or leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group retains substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in arranging an operating lease are included into the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised within revenue in the period in which they are earned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value and allow maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Taxes*Income tax*

Income tax expense comprises current income tax. Current tax is recognised in profit or loss for the period.

Current income tax includes the tax payable or receivable on the taxable income or loss for the year calculated using the tax rates enacted or substantively enacted at the reporting date, and any adjustments to income tax payable in respect of previous years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)****Taxes (continued)***Deferred tax*

Deferred tax is determined using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the purposes of the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when:

- The deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

New and amended standards and interpretations

The adopted accounting policies are consistent with those of the previous financial year, except for the following amended standards that became effective as at 1 January 2024. The Company applied for the first time certain new and amended standards, which are effective for annual reporting periods beginning on or after 1 January 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

The amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist the users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Company's financial statements.

Standards that became effective

The new and amended standards and interpretations that are issued and are effective as at the date of issuance of the Company's financial statements are disclosed below. The Company adopts these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16 – *Lease Liability in a Sale and Leaseback*;
- Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*;
- Amendments to IAS 7 and IFRS 7 – *Supplier Finance Arrangements*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The amendments are not expected to have a significant impact on the Company's financial statements.

Amendments to IAS 21 – Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables the users of the financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendment becomes effective for annual periods beginning on or after 1 January 2025. Earlier application is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after 1 January 2027. Early adoption is permitted but will need to be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the new standard and amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards in full. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 becomes effective for reporting periods beginning on or after 1 January 2027. Early application is allowed. The amendments are not expected to have a material impact on the Company's financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions at the end of the reporting period that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**Allowance for expected credit losses**

The Group uses a provision matrix to calculate ECLs for receivables and financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated, and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and in forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Useful lives of property, plant and equipment and intangible assets

The Group assesses the remaining useful lives of items of property, plant and equipment at least at each financial year-end. If expectations differ from the previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These estimates may have an impact on the carrying amounts of property, plant and equipment and on the depreciation expenses recognised in profit or loss.

Impairment of property, plant and equipment and intangible assets

The Group assesses an asset or a group of cash generating assets (cash generating unit, CGU) for impairment when events or changes in circumstances indicate that the asset's carrying amount may not be recovered. Where such indicator exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as discount rates, future capital requirements, operating costs that are subject to risk and uncertainty. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In assessing the recoverable amount, the estimated future cash flows are adjusted for the risks specific to the asset group/CGU and are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell is defined as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the Group and are not applicable to the Group in general.

The Group's management analysed whether there is any indication of impairment and believes that any indicators of potential impairment are absent.

Determination of minimum lease payments under the land plot lease agreement

According to the agreement for the land plot lease entered into with Department of Architecture, Urban Planning and Land Relationships of Nur-Sultan city for the term until 2061, the Group's subsidiary holds under a lease the land plot where the school building and the transformer substation are located. The rental fee for the land plot is not fixed and may change in line with the amendments made to the legal acts that regulate accruals of tax and other payments for land and represents the land tax.

The land tax reimbursed by the subsidiary does not imply the transfer of any goods or services to the lessee, i.e., it is not a separate component of the agreement. Rather, it is part of the reimbursement under the lease agreement which is allocated to separately identifiable components of the agreement. The amount of reimbursement cannot be included by the lessee into the lease liability as at the lease commencement date since the rental fee is a variable and is not dependent on an index or a rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Determination of minimum lease payments under the land plot lease agreement (continued)**

The land tax compensated by the lessee to the lessor may be changed since the local authorities have the right to change the property tax collection procedure (or cancel the property tax). Therefore, the amount is not fixed. The rental fee is variable and is not dependent on an index or a rate since the property tax is not based on a market rental rate. Though the formula implies that the total area is multiplied by the base rate to obtain the amount of the land tax, the subsidiary's management does not believe that such percentage value can be applied as the rate. This is also not related to any guarantee of the residual value or extension/termination options. Therefore, the amount is not included into the calculation of the lease liability as at the lease commencement date and it is subject to recognition in profit or loss for the period in which the event or condition that triggers the payment occurs.

5. PROPERTY, PLANT AND EQUIPMENT

<i>In thousands of tenge</i>	Buildings and construc- tions	Machinery and equipment	Office furniture	Other	Construc- tion-in- progress	Total
Cost						
Balance at 1 January 2023	2,863,883	503,702	201,776	168,374	108,771	3,846,506
Additions	6,347	80,683	46,082	40,651	102,039	275,802
Disposals	–	(52,741)	(10,236)	(632)	–	(63,609)
Balance at 31 December 2023	2,870,230	531,644	237,622	208,393	210,810	4,058,699
Balance at 1 January 2024	2,870,230	531,070	237,622	209,375	210,810	4,059,107
Additions	127,751	145,879	37,846	23,320	874,981	1,209,777
Transfers	315	–	–	–	(315)	–
Disposals	(3,728)	(302,342)	(52,943)	(66,498)	–	(425,511)
Balance at 31 December 2024	2,994,568	374,607	222,525	166,197	1,085,476	4,843,373
Depreciation and impairment loss						
Balance at 1 January 2023	357,718	260,194	95,105	117,115	–	830,132
Depreciation charge for the period	58,264	78,210	26,019	18,762	–	181,255
Disposals	–	(51,319)	(6,320)	(589)	–	(58,228)
Impairment	–	–	–	–	108,771	108,771
Balance at 31 December 2023	415,982	287,085	114,804	135,288	108,771	1,061,930
Balance at 1 January 2024	418,238	286,720	114,803	133,806	108,771	1,062,338
Depreciation charge for the period	58,775	80,138	27,999	20,338	–	187,250
Disposals	(3,728)	(301,741)	(52,883)	(66,498)	–	(424,850)
Balance at 31 December 2024	473,285	65,117	89,919	87,646	108,771	824,738
Carrying amount						
At 31 December 2023	2,454,248	244,350	122,818	73,105	102,039	2,996,769
At 31 December 2024	2,521,283	309,490	132,606	78,551	976,705	4,018,635

Property, plant and equipment were as follows for the years ended 31 December 2024 and 2023:

As at 31 December 2024, the cost and related accumulated depreciation of fully depreciated property, plant and equipment that is still in use was KZT 9,552 thousand (31 December 2023: KZT 364,630 thousand).

As at 31 December 2023, the Group recognised impairment of construction-in-progress for a kindergarten for the total of KZT 64,035 thousand and STEM (science, technology, engineering and mathematics) Centre for the total of KZT 44,736 thousand due to changes in the management's plans for these projects.

At 31 December 2024, construction-in-progress was represented by the construction of STEM Centre. The construction of this centre was launched in September 2024. For the purposes of this centre, the Group entered into an agreement with the contractor, AYDIN YPI GROUP LLP, for the total of KZT 3,290,087 thousand.

In 2024, for the purposes of this construction, a credit facility for USD 4,000 thousand was opened with ForteBank JSC. As at the year end. The credit facility was not used. At 31 December 2024, property, plant and equipment is pledged as a security for this credit facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

Movements in the right-of-use assets and lease liabilities for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of tenge</i>	Right-of-use assets	Lease liabilities
At 1 January 2023	121,480	122,743
Depreciation expense of right-of-use asset	(31,670)	–
Interest expense on lease liabilities (Note 23)	–	17,181
Payment of interest on lease liabilities (Note 28)	–	(17,181)
Payments on lease liabilities (Note 28)	–	(21,468)
At 31 December 2023	89,810	101,275
Depreciation expense of right-of-use asset	(31,670)	–
Interest expense on lease liabilities (Note 23)	–	13,380
Payment of interest on lease liabilities (Note 28)	–	(13,380)
Payments on lease liabilities (Note 28)	–	(28,959)
At 31 December 2024	58,140	72,316
Current portion	–	35,967
Non-current portion	–	36,349

The following amounts are recognised in profit or loss:

<i>In thousands of tenge</i>	2024	2023
Depreciation expense of right-of-use assets (Note 20)	31,670	31,670
Interest expense on lease (Note 23)	13,380	17,181
Total amounts recognised in profit or loss	45,050	48,851

The Group also entered into office lease agreements for a period of less than 12 months. The Group applies the short-term lease recognition exemptions to these agreements.

During the year ended 31 December 2024, the amount of KZT 22,642 thousand was recognised as expense in profit or loss for operating leases (2023: KZT 25,315 thousand).

7. INVESTMENTS IN AN ASSOCIATE

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Carrying amount of the participation share in the associate	4,938,279	3,942,554
Share of profit from continuing operations	777,128	49,387
Adjustment of the carrying amount of the participation share in the associate	218,597	–

Non-profit JSC Haileybury Almaty is an entity established and operating in the Republic of Kazakhstan. As at 31 December 2024, the Fund's participation share in equity was 32.64% (2023: 32.64%), and it was recognised as an equity-method investment. This entity is mainly involved in educational activities performed in conformity with the curricula and educational programmes based on the UK educational standard of Haileybury Enterprises Limited. The Fund exercises significant influence over this investee.

Non-profit JSC Haileybury Almaty, being a non-profit joint stock company, has no right to distribute dividends, according to the laws of the Republic of Kazakhstan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**7. INVESTMENTS IN AN ASSOCIATE (continued)**

The following table illustrates the summarised financial information of the Group’s investment in Non-profit JSC Haileybury Almaty.

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Non-current assets	4,727,278	4,056,417
Current assets	14,740,386	11,749,796
Current liabilities	(4,339,489)	(3,728,392)
Net assets	15,128,175	12,077,821
Carrying amount of the participation share in the associate	4,938,279	3,942,554

<i>In thousands of tenge</i>	2024	2023
Revenue from contracts with customers	9,413,761	8,425,450
Cost of services	(8,034,190)	(6,688,743)
Finance income	204,750	98,472
Administrative expenses	(907,262)	(1,395,891)
Selling expenses	(8,312)	(18,655)
Foreign exchange differences, net*	1,713,720	(169,374)
Other income	51,177	54,219
Other expenses	(38,735)	(35,201)
Impairment of property, plant and equipment	–	(111,273)
Income tax expense	(14,216)	(7,708)
Earnings and total comprehensive income	2,380,693	151,296
Share of profit and total comprehensive income	777,128	49,387
Adjustment of the carrying amount of the share in associate	218,597	–

8. ADVANCES ISSUED FOR NON-CURRENT ASSETS

As at 31 December 2024, advances issued for non-current assets are prepayments for constructing and equipping STEM Centre in the amount of KZT 1.638.735 thousand.

9. INVENTORIES

For the years ended 31 December 2024 and 2023, inventories were as follows:

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Goods for transfer to charity	720,244	–
Raw materials (at cost)	102,917	124,288
Goods (at the lower of cost and net realisable value)	85,445	68,768
	908,606	193,056

For 2024, the inventories include goods for transfer to charity for the total of KZT 720,244 thousand, consisting of the following items:

- 20 greenhouses “Farmer” for the total of KZT 419,533 thousand for further transfer to communal property of Astana to sign off to public schools. On 4 April 2022, contractor contract No. 04042022 was signed with AKEG LLP to construct greenhouses for children in 20 public schools, as part of implementation of the Zhasyl Mektep project in Astana. On 26 December 2024, finished greenhouses were signed off to the Fund. Currently, work on their further transfer to communal property of Astana to sign off to public schools is under way;
- Telescopic walkway and visual observation system (Turkey) – a set for the total of KZT 299,654 thousand. In March 2025, this set was transferred under a donation agreement to the municipal public institution Department of Passenger Transport and Highways of Qyzylorda Region;
- Goods acquired to equip Autism Centres and subject to transfer as charity for the total of KZT 1,057 thousand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**10. PREPAYMENTS AND OTHER CURRENT ASSETS**

The prepayments and other current assets as at 31 December 2024 and 2023 were presented as follows:

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Prepaid expenses under projects in progress	17,881	12,240,223
Advance issued under the project “Construction of Community Centre in Kosshy”	9,499,800	4,939,725
Advance issued under the project “Construction of the Passenger Terminal at Kyzylorda airport”	–	3,999,028
Advance issued under the project “Construction of 900-seat School in Esik”	–	3,937,010
Advance issued under the project “Support for Astana Individuals Recognised as Vulnerable Social Groups”	1,071,144	2,409,039
Advance issued under the project “Zhasyl Mektep”	–	419,533
Advances paid for inventories and services	211,099	116,029
Prepayments for services	–	95,633
Other tax prepayments	46,728	52,419
Short-term guarantees paid	20,361	17,508
Advances receivable under the court decision	–	1,636
Other short-term receivables	13,014	8,972
	10,880,027	28,236,755

Prepaid expenses under projects in progress

For 2024, as at the reporting date, prepaid expenses under projects in progress were represented by the following projects:

- 1) KZT 1,071,144 thousand paid under the project “Support for Astana Individuals Recognised as Vulnerable Social Groups”. The contractor was paid for the construction of 150 flats out of the total of 500 flats;
- 2) KZT 17.881 thousand paid under other projects.

For 2023, prepaid expenses under projects in progress were represented by the following projects:

- (1) KZT 9,048,172 thousand paid under the Project “Construction of the Passenger Terminal at Kyzylorda airport”;
- (2) KZT 2,014,290 thousand paid under the project “Construction of 900-seat School in Esik”;
- (3) KZT 1,117,075 thousand paid under the project “Construction of Community Centre in Kosshy”;
- (4) KZT 60,686 thousand paid under other projects (31 December 2022: KZT 821,789 thousand).

11. OTHER CURRENT FINANCIAL ASSETS

As at 31 December 2024, financial assets are represented by deposits in tenge and US dollars placed with ForteBank JSC at the interest rate of 14.25% per annum and opened for a period of 12 months (2023: financial assets are represented by deposits in tenge and US dollars at the interest rate of 14.25% and 1% per annum, respectively, for a period of 12 months).

In 2024, the interest income received on short-term bank deposits was KZT 639,207 thousand (2023: KZT 169,030 thousand).

Financial assets were as follows for the years ended 31 December 2024 and 2023:

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Securities at amortised cost	–	3,230,332
Balances in deposit accounts in KZT	2,764,780	1,351,510
Balances in deposit accounts in USD	–	615,815
	2,764,780	5,197,657
Less: allowance for expected credit losses	(13,505)	(61,990)
	2,751,275	5,135,667

The movements in the allowance for expected credit losses during 2024 and 2023 are presented as follows:

<i>In thousands of tenge</i>	2024	2023
At 1 January	61,990	10,215
Accrual of allowance	(48,485)	51,775
At 31 December	13,505	61,990

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**12. CASH AND CASH EQUIVALENTS**

As at 31 December 2024 and 2023, cash and cash equivalents were as follows:

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Balances in bank accounts in USD	1,488,744	232,320
Balances in bank accounts in GBP	98,981	81,603
Balances in bank accounts in KZT	42,861	74,447
Balances in bank accounts in EUR	2,060	47,611
Cash on hand	261	1,989
Balances in card accounts	1,039	1,186
Balances in bank accounts in RUR	–	–
	1,633,946	439,156

As at 31 December 2024 and 2023, current bank accounts are interest free.

13. TRADE AND OTHER PAYABLES

As at 31 December 2024 and 2023, trade and other payables comprised the following:

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Trade payables to third parties	2,072,187	107,925
Other payables	4,255	6,080
	2,076,442	114,005

As at 31 December 2024 and 2023, trade and other payables are denominated in KZT and are due within 30 to 90 days. The Group’s exposure to currency risk and liquidity risk in relation to trade and other payables is disclosed in *Note 27*.

14. UNUSED CHARITABLE CONTRIBUTIONS

As at 31 December 2024 and 2023, unused charitable contributions comprised the following:

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Charitable contributions for the development of the charter goals	9,780,184	19,564,321
Charitable donation for construction of school in Esik of Almaty region	–	5,951,400
Sponsor support from Nova Leasing JSC	300,000	–
Charitable contributions from Burabike Fest (bicycle race)	78,010	78,010
	10,158,194	25,593,731

Charitable contributions from the Burabike Fest (bicycle race) project will subsequently be used exclusively in accordance with their intended purpose for financing the projects implemented as part of the Fund’s charter activities since they represent special-purpose charitable contributions.

Charitable contributions for the development of the charter goals are composed of the contributions made by the Founder of the Fund and may be used by the Group to implement specific projects or fund the administrative costs.

The sponsor support was provided by Nova Leasing JSC under the Sponsor Support Agreement of 16 May 2024. The sponsor support of KZT 2,590,000 thousand was received in 2024 to be used in a wide range of charity projects and for the implementation of the Fund’s charter goals. As at 31 December 2024, the balance of unused sponsor support was KZT 300,000 thousand, which will be used in the future.

15. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS

Liabilities under contracts with customers are the amounts prepaid by individuals for training. Such amounts will be recognised as revenue as the educational services are rendered.

According to the terms and conditions of contracts for educational services for 2024/2025 academic year, the students make advance payments 3 times a year: 44% (2023: 43%) of the annual tuition fee is paid up to 6 June 2024 (6 June 2023), 28% (2023: 26%) up to 20 November 2024 (20 November 2023) and the remaining 28% (2023: 31%) up to 7 March 2025 (7 March 2024).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**15. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS (continued)**

If at the advance payment date, the GBP exchange rate exceeds KZT 580 per GBP 1 for 2023/2024 academic year and KZT 590 per GBP 1 for 2024/2025 academic year, the advance payment is subject to indexation by the ratio calculated based on the GBP exchange rate. If the calculated ratio is below 0.9 (zero point nine) the ratio 0.9 (zero point nine) should be used. The opening balance of liabilities under contracts with customers was recognised in full within revenue during 2024.

As at 31 December 2024, the advances received for educational services are KZT 2,287,515 thousand (2023: KZT 1,873,293 thousand).

16. OTHER CURRENT LIABILITIES

As at 31 December 2024 and 2023, other current liabilities comprised:

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Students' guarantee deposits	249,125	266,408
Accrued provision for unused vacations	237,756	212,684
Provision for bonuses to employees	95,513	111,137
Other taxes payable	47,350	65,853
Other	27,371	1,800
	657,115	657,882

Students' guarantee deposits

Students' guarantee deposits are represented by one-off contributions made by the students as a security under the agreements for provision of educational services. The guarantee deposits secure proper performance of agreements by the students and are subject to repayment less deductions on the termination of agreements. Students' guarantee deposits are recognised as demand liabilities. The guarantee amount is KZT 450 thousand per student.

Provision for bonuses to employees

Provision for bonuses to employees is represented by one-off bonuses to foreign employees for long service. The bonus amount depends on the term of the contract (one-year, two-years, three-years) and varies from GBP 4 thousand to GBP 15 thousand.

17. OTHER CURRENT FINANCIAL LIABILITIES

As at 31 December 2024 and 2023, other current liabilities comprised:

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Current liabilities on loans received	–	3,207,300
Short-term interest payable on loans received	–	489
	–	3,207,789

During 2024, the Group received loans for the total of KZT 20,544,433 thousand, including a loan of KZT 7,755,000 thousand from Caspian Real Estate LLP, a loan of KZT 4,655,933 thousand from Esil Real Invest LLP, and a loan of KZT 8,133,500 thousand from Global Development LLP (31 December 2023: KZT 3,207,300 thousand with an interest rate of 0.5% per annum. The loans were received for the Group's continued operations and were fully repaid as at 31 December 2024.

During 2024, the Group fully repaid the principal amount on loans for the total of KZT 23,751,733 thousand (2023: KZT 31,370,400 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**17. OTHER CURRENT FINANCIAL LIABILITIES (continued)**

During 2024, the Group accrued and repaid interest payable for the total of KZT 31,286 thousand (2023: the Group accrued interest payable for the total of KZT 26,531 thousand).

- The loan bears interest at a rate of 0.5% per annum;
- Interest is accrued on a monthly basis and paid at the end of loan repayment together with the principal amount.

As at the reporting date, the Group has no current liabilities.

18. INCOME

For the years ended 31 December, income comprised the following:

<i>In thousands of tenge</i>	2024	2023
Income from charities		
Construction of the Passenger Terminal at Kyzylorda airport [A]	15,713,501	2,470
Project on providing support in high-water emergencies [B]	11,561,921	–
Project on construction of school in Esik [C]	10,435,685	–
Purchase of flats to individuals from vulnerable social groups for Akimat of Astana [D]	6,937,161	7,390
Autism. One World for All [E]	862,662	1,084,399
Project “Jas Leader Akademiiasy” [F]	367,184	355,612
Project “National Olympic Committee” [G]	350,000	–
Exhibition in the Guimet Museum in Paris [H]	142,728	–
Project “Green School” [I]	81,289	209,524
Association of Parents with Disabled Children (APDC) [J]	34,645	35,967
Batyrkhan Shukenov Foundation [K]	21,178	37,101
Project “Construction of 1,500-seat School in Kosshy” [L]	17,950	7,967,918
Donations to AFAD Turkey [M]	–	2,246,100
Project “Construction of Community Centre in Kosshy” [N]	4,571	6,958
Project on establishing the Stroke Centre in Kostanai region [O]	4,392	876,459
Support for families of miners who died in a mine accident in Karaganda	–	470,300
Gains from cash received free of charge to cover administrative expenses	–	281,585
Support for those who suffered in an emergency situation (Red Crescent) [P]	828	162,790
Plan for the reconstruction of the Botanic Garden in Almaty [Q]	–	851
Other	–	27,360
Total income from charity	46,535,695	13,772,784
Income from contracts with customers		
From provision of educational services	6,835,581	5,951,691
From sale of school uniform	61,345	51,966
From provision of services on additional teaching of languages and other disciplines	–	15,709
Registration fees and exams	9,765	13,695
Total income from contracts with customers	6,906,691	6,033,061
Total income	53,442,386	19,805,845

[A] In November 2024, a new terminal was put into operation in Korkyt Ata airport in Kyzylorda. The new airport, which meets the highest international standards, allows enhancing the transport and logistics potential in the region and increasing the throughput of the gateway up to 2 million passengers a year. Upon completion of the construction, the airport was transferred free-of-charge to Korkyt the municipal communal property. The terminal has a telescopic walkway, moving stairways and lifts, an automated baggage handling system, a lounge for transit passengers and a CIP lounge. Initially, the project provided for installing one telescopic walkway; in 2024, the Fund decided to install the second telescopic walkway with visual docking guidance. Currently, they are officially transferred to Kyzylorda’s communal property. The new building now has self-service check-in, prayer rooms, Duty Free zone as well as special spaces for employees of border and customs services, phytosanitary and veterinary services, employees of epidemiological surveillance and line police department. The constructor used equipment, technology and design materials of international brands. Also, in 2024, the Fund purchased a new airport apron bus produced by Yutong (China) and gave it to the airport free of charge;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**18. INCOME (continued)**

- [B] In 2024, the Fund assisted in providing housing to those who suffered during high-water emergencies in Aktobe and Akmola regions. 147 residential buildings were constructed and transferred to the residents in Kobdinsk district of Aktobe region. In other districts of Aktobe region, such as Aitekebiysk, Alginsk, Yilsk, Mugalzhar, Martuysk, Temir district, 283 built-up “shell and core” houses and flats were purchased. In Akmola region (Kokshetau and districts), 67 “shell and core” houses and flats were purchased and transferred to the individuals who had suffered from high-water emergencies. Also, financial aid was transferred to Demey Kazakhstan Cory Corporate Fund for providing emergency aid to people evacuated from the flooded zones;
- [C] In 2024, the Fund successfully completed the project to construct a new three-storey 900-seat school building with the total area of 13 thousand square meters in Esik of Almaty region. In September 2024, the fully equipped school with furniture, devices and appliances was transferred to Esik’s communal property. In addition to classrooms, it has recreational zones, up-to-date trade training workshops, sports and gymnastics rooms, an informational centre, a laboratory, a creative art studio and co-working space. The school has a basketball and volleyball court, a stadium with mini football field and run tracks, playing grounds for junior and senior school children. The playing and sports zones were designed to include soft rubber cover based on polymer chips. There is a lawn of permanent grasses set up around the school and environmental planting of trees and bushes. The entry zone is equipped with wheelchair ramps and tactile walkways for weak-eyed people;
- [D] At the end of 2023, the Fund launched the implementation of a new project to provide support to individuals from vulnerable social groups. In December 2023, the Fund signed a memorandum with the Akim of Astana, under which the Fund will buy and transfer flats free of charge as charitable support to the Akimat of Astana to provide housing to vulnerable social groups and/or citizens in need of housing (31 December 2023: KZT 7,390 thousand). In 2024, the Fund transferred free of charge 350 of 500 flats to the Akimat of Astana for people in need of housing, including those from vulnerable social groups, as part of the Balameken project; the remaining 150 flats have been also transferred to the Akimat free of charge. The transferred flats are comfort class housing and are located in modern blocks of flats in Astana. All buildings are equipped with high-speed lifts, facial recognition systems, and have underground parking and large courtyard space;
- [E] In 2015, the Fund launched the implementation of the *Autism. One World for All* initiative, which is intended to support children with autism. The primary objective of this initiative is to enhance the quality of life for children with autism through early diagnostics, rehabilitation and social integration – from diagnostics to independent life in the society. 13 Autism Centres operate in 12 cities of Kazakhstan;

In 2020 to 2024, the Fund was in the process of signing memoranda on cooperation with akimats of the cities where the centres are located. This process is ongoing, the Fund is also involved in the work on having the legislation of the Republic of Kazakhstan amended appropriately and opening such centres in new regions. According to the agreements, the akimat is responsible for the provision of premises, repairs and payment for all operational services, including the salaries to the centre’s employees. In its turn, the Fund equips the building with all required furniture, devices and appliances and is also involved in employee recruiting, training and providing further methodological support to them. In 2023, new centres were opened in Astana and Semey. In 2024, no new centres were opened.

In September 2023, V International Conference *Autism. World of Opportunities* was held in Astana.

Diagnosis and Early Intervention for ASD is the topic of the Conference, which is intended to emphasize the importance of focus on early recognition and timely intervention for ASD from the perspective of effectiveness of measures to be taken; at the same time, the focus is on supporting the enhancement of the quality of life of children with ASD and their families. The Conference provides the forum for researchers, practitioners, students, people with ASD and their family members. The scientific programme includes key reports, panel discussions, workshops delivered by leading practitioners and moderated Q&A sessions for discussion of complex issues.

At this event, the speakers are outstanding researchers and scientists, including Connie Kasari, President of the International Society of Autism Research, Josephine Barbaro, developer of the ASD SACS early identification method, Teresa Tavassoli, developer of SAND sensor diagnostics method, and Temple Grandin, one of the first and the most well-known people with ASD who told others about autism from the inside, the author of several best sellers, and other experts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**18. INCOME (continued)**

- [F] In 2021, the Fund launched *Jas Leader Akademiiasy* (or Leadership Academy), a new initiative, together with Akimats of Turkestan region and Shymkent. The objective of this initiative is to support and develop leadership qualities among students of grades 5 to 11 and to train them to master in-demand skills, which are not taught at school. The school children will learn to effectively use communication skills, develop critical thinking skills, public presentation and negotiation skills. The initiative also delivered optional classes, monthly meetings, master classes and annual conferences, including awarding best students. For the period from 2021 to 2024, this project covered 41,500 students in 182 schools in Kazakhstan. In August 2025, the project is going to be completed successfully. Currently, beneficiary successors of the project's methodological portion have been determined and negotiation are under way to sign memoranda on cooperation;
- [G] Charitable assistance provided for the National Olympic Committee to support the charter activities and, also, the events that encourage development, promotion and protection of Olympic movement in Kazakhstan, including representation of interests of the Olympic Committee in other international institutions;
- [H] In November 2024, an exhibition titled *Kazakhstan: Treasures of the Great Steppe* from the collection of the National Museum of the Republic of Kazakhstan and *Azret Sultan*, the State Historic and Cultural Reserve-Museum, opened under the patronage of the State Leaders of Kazakhstan and France, in the Guimet Museum, which is the National Museum of Asian Arts in Paris. The exhibition was on display until 24 March 2025. Kazakhstan is focused on the development of cultural and humanitarian cooperation with the European countries. Promotion of historical and cultural heritage is a key line of interaction in this sphere. The exhibition of Kazakhstan's historic heritage in the Guimet Museum (the museum of Eastern arts), with the most complete collection of Asian art worldwide and the largest collection of Asian art in Europe, including several cultural artefacts of Kazakhstan, became a landmark event in arts;
- [I] The Zhasyl Mektep project was launched in 2021 in Astana where the Fund installed 16 greenhouses in public schools. In 2022, 19 schools and a college joined the project in Astana. Lessons in the greenhouses allow augmenting the school curriculum with practical studies and became an excellent opportunity to teachers to deliver interesting optional lessons. The extra-curricular work in the greenhouses disciplines children, teaches them to be responsible for plants, take care of them, research, read and learn more, they are taught to communicate with the group and delegate their responsibilities to the group, they master time management, learn how to solve arising issues, e.g., those with the pests. At the same time, the greenhouses help making botanic lessons more interesting for school children, they help developing the ecocultural approach among them and are an excellent ground for their own scientific research. Currently, 39 educational institutions, approximately 6 thousand school children and more that 70 teachers participate in this initiative. In 2023, school children developed 23 scientific projects based on their work in these greenhouses;
- [J] On 3 March 2018, the Fund signed a memorandum with the Association of Parents with Disabled Children (APDC), under which the Centre of Intensive Rehabilitation and Early Intervention was opened for children with ICP. As part of this memorandum, the Fund provides annual charitable support for the centre's development and maintenance and for using it as the base for setting up a resource centre to train specialists in this sphere for the whole of Kazakhstan. In December 2024, the project with the APDC was completed;
- [K] On 10 April 2018, Batyrkhan Shukenov Foundation and the Fund signed an agreement on cooperation. The overall objective of the project is to set up a live and strong musical environment that could give rise to the appearance of musicians of the level of Batyrkhan Shukenov. The charitable aid provided by the Fund was aimed at establishing Batyrkhan Shukenov scholarship to support talented students specialising in wind instruments and also at holding the Republican competition of performers on wind instruments named after Batyrkhan Shukenov, and other events. In 2024, the project with Batyrkhan Shukenov Foundation was successfully completed;
- [L] In August 2023, a comfortable 1,500-seat school with the total area of 16 thousand square meters was transferred to communal property of Kosshy (31 December 2023: KZT 7,967,918 thousand). Also, in February 2024, at the request of the school in Kosshy, the Fund transferred a new Zoomlion mini-loader free of charge to the school for cleaning the school territory from snow and litter;
- [M] In 2023, the charitable support of USD 5 million (31 December 2023: KZT 2,246,100 thousand) was allocated to AFAD Turkey to provide aid to people who suffered after the catastrophic earthquakes in Turkey and transferred to AFAD through Kazakhstan Ziraat Bank (KZI Bank);

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**18. INCOME (continued)**

- [N] The Fund continues to build modern social facilities and one of them is the construction of the new Community Centre, with the area of 7.7 thousand square meters, in Kosshy. At the end of 2024, the construction was completed. The Community Centre in Kosshy will be the first such centre in Kazakhstan. The centre consists of three main zones, which are educational, cultural and sports zones. Today, the Community Centre has been put into operation and transferred to the communal property of Kosshy where the residents will be able to attend sports sections, musical classes and cultural events;
- [O] In 2023, the Fund financed establishing the Stroke Centre on the base of Auliekol central district hospital in Kostanai region (31 December 2023: KZT 876,459 thousand). The allocated funds were used for purchase and free of charge transfer of up-to-date medical equipment for diagnostic studies and technical preparation of premises. This allowed providing advanced healthcare services and enhancing accessibility of services for patients with acute cerebral circulation disorders who need such treatment. In 2024, the final payment was made for equipment and repair work;
- [P] *Aid Card* is a joint initiative of the Fund, Red Crescent of Kazakhstan and ForteBank. The project is aimed at providing timely support to people affected by natural and industrial disasters;
- In 2024, high-water emergencies affected Aktobe region, Akmola region, North Kazakhstan region and West Kazakhstan region. The Fund decided to provide assistance to people who had suffered from high-water emergencies independently, outside the Aid Card Project.
- In 2023, high-water emergencies affected Aktobe region, Kobda and Kurman settlements, and Aksay in West Kazakhstan region. The support for the total of KZT 146.6 million was received by 1,466 affected people.
- [Q] In June 2018, the Fund signed the Memorandum on Cooperation with Republican State Enterprise on PCV *Institute of Botany and Phytointroduction* (the "Institute") on the implementation of the project on free of charge reconstruction of the main botanical garden of Almaty (the "Almaty Botanical Garden") to the world class modern botanical garden;
- On 24 January 2019, for implementing the project, the Fund entered into a trilateral contract with the developer and the Institute where the Institute is the receiver of charitable support and the developer is a contractor that will perform all required construction and installation and other work on reconstruction. In its turn, for financing the project, the Fund attracted sponsors and entered into an agreement with them whereby the Fund receives special-purpose financing in the form of charitable support for the Project's further funding. All participants of the Project for reconstruction of the Botanical Garden have agreed that whenever the sponsors happen to have no available finances each of them has the right to refuse from providing charitable support at any stage.
- On 15 June 2020, the reconstruction of the Almaty Botanical Garden was completed and the garden was opened for public.

The Group provides services and sells products on the territory of Kazakhstan.

19. COST OF SALES

For the years ended 31 December, cost of sales comprised the following:

<i>In thousands of tenge</i>	2024	2023
Charity-related operating expenses		
Autism. One World for All		
Personnel expenses	380,882	293,509
Consulting services	127,829	107,245
Training for Autism Centre's specialists	67,424	70,065
HR expenses for the incentive programme and delivery of corporate events	55,243	31,645
Charitable support provided	40,514	-
Utilities and centre maintenance costs	35,320	88,104
Current repairs and technical maintenance expenses	32,723	196,126
Depreciation and amortisation	22,368	24,508
Management and delivery of charitable events	18,850	23,605
Business trip expenses	13,654	15,286
Lease	13,200	15,600
Expenses for equipping the centres (investment expenditure)	13,073	128,261
Depreciation and amortisation of intangible assets	4,773	-
Scientific activity	59	5,972
Expenses for conference management	-	69,286
Other expenses	39,746	15,187
Total operating expenses for Autism. One World for All	865,658	1,084,399

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**19. COST OF SALES (continued)**

<i>In thousands of tenge</i>	2024	2023
Construction of the Passenger Terminal at Kyzylorda airport	15,713,501	2,470
Project on providing support in high-water emergencies	11,561,306	-
School in Esik	10,435,685	-
Transfer of 500 flats to the Akimat of Astana for subsequent transfer to individuals from vulnerable social groups	6,937,161	7,390
Project "Jas Leader Akademiiasy"	367,570	355,612
National Olympic Committee	350,000	-
Support for the exhibition in the Guimet Museum in Paris	142,728	-
Project "Zhasyl Mektep"	81,289	209,524
Association of Parents with Disabled Children (APDC)	34,645	35,967
Support for Batyrkhan Shukenov Foundation	19,957	37,101
Project on construction of 1,500-seat school in Kosshy	17,950	7,967,918
Project "Construction of Community Centre in Kosshy"	4,570	6,958
Project on establishing the Stroke Centre in Kostanai region	4,392	876,459
Project "Aid Card" jointly with Red Crescent Society of Kazakhstan	828	162,790
Donations to AFAD Turkey	-	2,246,100
Support for families of miners who died in a mine accident in Karaganda	-	470,300
Almaty Botanical Garden	-	851
Other projects	-	27,359
Total other operating expenses	45,671,582	12,406,799
Operating expenses on educational services:		
Employee benefits and related taxes	4,080,764	3,694,411
Depreciation and amortisation	152,980	149,699
Franchise commission fee	172,071	135,896
Materials and supplies	131,577	134,062
Catering services for students	328,183	263,927
Repair and maintenance services	87,190	72,734
Utilities	79,779	59,586
School uniform	44,510	36,654
Other	306,840	255,191
Total operating expenses on educational services	5,383,894	4,802,160
Total cost of sales	51,921,134	18,293,358

20. ADMINISTRATIVE EXPENSES

Administrative expenses comprised the following for the years ended 31 December:

<i>In thousands of tenge</i>	2024	2023
Personnel expenses	785,358	646,149
Other taxes	216,515	87,396
Steering committee expenses	95,802	102,589
Bank charges	71,261	54,202
Transportation expenses	52,674	42,605
Consulting and audit services	41,422	42,687
Depreciation of right-of-use asset	31,670	31,670
Administrative staff hiring costs	35,331	30,629
Business trip expenses	23,184	11,992
Depreciation and amortisation	11,901	10,211
Insurance expenses	8,022	8,965
Telecommunications services	3,176	1,475
Utilities and building maintenance	2,730	2,689
Representation expenses	1,799	5,649
Other	152,947	119,275
	1,533,792	1,198,183

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. OTHER INCOME/(EXPENSES)**

Other income for the years ended 31 December comprised the following:

<i>In thousands of tenge</i>	2024	2023
Gain on reversal of provision	46,305	(43,055)
Gain on disposal of assets	–	188
Other	157,846	118,251
	204,151	75,384

Other expenses for the years ended 31 December comprised the following:

<i>In thousands of tenge</i>	2024	2023
Expenses on disposal of assets	–	(108,771)
Other expenses	(12,604)	(57,296)
	(12,604)	(166,067)

22. FINANCE INCOME

The finance income comprised the following items for the years ended 31 December:

<i>In thousands of tenge</i>	2024	2023
Interest income on bank deposits (Note 11)	639,207	169,030
Other	318	274
	639,525	169,304

23. FINANCE COSTS

The finance costs comprised the following items for the years ended 31 December:

<i>In thousands of tenge</i>	2024	2023
Interest on loans	(31,286)	(26,531)
Interest on lease liabilities (Note 6)	(13,380)	(17,181)
	(44,666)	(43,712)

24. INCOME TAX EXPENSE

In accordance with the tax legislation of the Republic of Kazakhstan, any Group operating in social sphere may reduce the amounts of accrued corporate income by 100% provided that the Group's income, including the income in the form of property received free of charge and interest income on deposits, is at least 90% of the aggregate annual income.

In accordance with the tax legislation of the Republic of Kazakhstan, in 2024, a WHT of 15% in the amount of KZT 16,508 thousand (2023: KZT 13,129 thousand) was withheld on interest income on deposits and recognised in current income tax expense for the year.

For the years ended 31 December, income tax expense included the following:

<i>In thousands of tenge</i>	2024	2023
Current income tax		
Current income tax expense	(16,508)	(13,129)
	(16,508)	(13,129)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. INCOME TAX EXPENSE (continued)**

The reconciliation of the income tax expense applicable to profit before income tax at the statutory income tax rate of 20% (2023: 20%) to the current corporate income tax expense was as follows for the years ended 31 December:

<i>In thousands of tenge</i>	2024	2023
Profit before tax	2,112,436	311,230
Statutory tax rate	20%	20%
Theoretical income tax expenses at statutory tax rate	422,487	62,246
Income exempt from taxation in accordance with the tax law	(250,553)	(39,240)
Non-taxable gain from share in equity method investees' profit	(155,426)	(9,877)
Current income tax expense	16,508	13,129

25. NON-CONTROLLING INTERESTS

The table below provides summarised information before intragroup elimination for Non-profit Joint Stock Company “Haileybury Astana School” where the non-controlling interest is material.

<i>In thousands of tenge</i>	31 December 2024	31 December 2023
Non-controlling interest, %	38.01%	38.01%
Non-current assets	5,611,381	2,934,441
Current assets	3,816,565	5,001,658
Current liabilities	(2,972,457)	(2,578,675)
Net assets	6,455,489	5,357,424
Carrying amount of non-controlling interest	2,453,931	2,036,523
Revenue from contracts with customers	6,906,691	6,033,061
Cost of services	(5,383,894)	(4,802,160)
Administrative expenses	(1,186,580)	(915,757)
Selling expenses	(34,664)	(24,298)
Other income	202,155	65,864
Other expenses	(12,604)	(140,991)
Finance income	244,754	133,286
Foreign exchange (losses)/gains, net	378,717	(62,009)
Income tax expense	(16,508)	(13,071)
Profit for the year	1,098,067	273,925
Total comprehensive income	1,098,067	273,925
Profit attributable to non-controlling interest	417,409	104,127
Net cash flows from operating activities	961,601	1,573,003
Net cash flows used in investing activities	52,634	(1,173,942)
Net increase/(decrease) in cash and cash equivalents	1,014,235	399,061

26. 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 into transactions that unrelated parties would not. The prices and terms of such transactions may differ from the prices and terms of transactions between unrelated parties.

The nature of the related party relationships for those related parties with which the Group entered into significant transactions or had significant balances outstanding at 31 December 2024 and 2023 are detailed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**26. RELATED PARTY TRANSACTIONS (continued)**

In 2024 and 2023, the Group’s transactions with related parties were as follows:

<i>In thousands of tenge</i>	The founder		Other related parties	
	2024	2023	2024	2023
Charitable support received	(75,705,500)	(34,100,000)	–	–
Finance income from related parties	–	–	639,207	122,731
Services provided to related parties	–	–	644	1,143
Interest expense	–	–	(31,286)	(26,531)
Bank charges	–	–	(51,784)	(42,120)
Sales to related parties	–	–	(14,827)	(17,524)

<i>In thousands of tenge</i>	The founder		Other related parties	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Amounts due from related parties	–	–	3,356	6,669
Amounts owed to related parties	9,777,494	19,564,321	–	–

Compensation to key management personnel

As at 31 December 2024, the key management personnel consisted of 9 persons (31 December 2023: 6 persons). For the years ended 31 December 2024 and 2023, the total compensation to the key management personnel, included within the cost of sales and the administrative expenses in the consolidated statement of comprehensive income, was KZT 451,850 thousand and KZT 361,953 thousand, respectively. The compensation to key management personnel includes salary under the contract, incentive bonuses and contributions to the state pension fund.

27. COMMITMENTS AND CONTINGENCIES**Contractual obligations**

Starting from 2021, the following terms and conditions are applied under the contract with Haileybury Enterprises Limited (“HEL”): payments are due to HEL at the end of each academic trimester at 2% of the income received for training workshops in 2021/2023, at 2.5% of the income received for training workshops in 2023/2027 and at 3% of the income received for training workshops in 2027/2031. Such payment includes the amount of GBP 25 thousand for the use of Haileybury trademark. HEL provides services that are required for securing application of the British educational standard of HEL. The contract with HEL remains in effect and is subject to execution until 2031.

The Group believes that the amount of future net assets and financing will be sufficient to cover these contractual liabilities.

Taxation

Kazakhstan’s tax legislation is subject to ongoing changes and varying interpretations. The management’s interpretation of tax legislation as applied to the Group’s transactions and activity may be challenged by the relevant authorities. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual, in particular with respect to recognition of income, expenses and other items of the financial statements in accordance with IFRS. Therefore, tax authorities may challenge those transactions and accounting methods that have not been challenged in previous periods. As a result, the tax authorities may additionally assess significant taxes and fines, which are generally 50–80% of the taxes additionally assessed, and interest at the refinancing rate established by the National Bank of Kazakhstan multiplied by 2.5. Fiscal periods remain open to tax review by the authorities in respect of taxes for 5 (five) calendar years preceding the year of review. Under certain circumstances, reviews may cover longer periods.

In view of the uncertainty inherent in Kazakhstan’s tax system, the final amount of taxes, penalties and interest, if any, may exceed the amount currently charged and accrued as at 31 December 2024 and 2023. The Group’s management believes that as at 31 December 2024 and 2023 its interpretation of the relevant legislation is appropriate and the Group’s tax positions will be sustained in case of disputes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. COMMITMENTS AND CONTINGENCIES (continued)**Insurance**

In the Republic of Kazakhstan, the insurance market is still developing and many forms of insurance, which are common in other countries of the world, are not yet available in Kazakhstan. The Group insured its property (the building and vehicles) from possible damage and also obtained professional and third-party liability (civil liability) insurance.

Legal issues

The Group is a party to insignificant legal proceedings related to its business operations. The Group does not believe that such ongoing or potential legal proceedings taken separately or in aggregate may have any material negative impact on its financial position or financial and economic performance.

Secured bank loans

On 20 November 2024, the Group signed an agreement to open a credit facility of USD 4,000 thousand maturing on 20 November 2031 to finance the investment project of the STEM Centre's construction. The credit facility bears the interest of 9.5% per annum. The Group pledged real property for KZT 4,366,902 thousand as a security for this agreement.

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group bears the overall responsibility for managing the Group's risks and for supervising the risk management system. The Group's risk management policy has been developed to identify, analyse and risks and related controls, to continuously monitor risks and adherence to the established limits. The risk management policies and systems are regularly analysed to identify whether any amendments are required due to the changes in the market environment and the Group's operations. The Group establishes training and management standards and procedures to set up streamlined and effective controls where all employees understand their roles and responsibilities.

The Group's principal financial instruments comprise cash and cash equivalents, bank deposits, financial aid paid, trade and other receivables and payables arising directly from the Group's operations. The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. Risk management principles are set out below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: interest rate risk, currency risk, other price risks and commodity risk. Financial assets exposed to market risk include cash and cash equivalents, bank deposits, and trade and other receivables.

Currency risk

The Group is exposed to currency risk through its transactions related to the provision of services as well as to purchases and investments in bank deposits denominated in foreign currencies other than KZT. These transactions are mainly USD- and GBP-denominated.

The Group achieves economic hedging of currency risk through indexation of payments under the contracts for provision of educational services. According to the contractual terms, the payment for educational services is fixed and set out on an annual basis; however, if at the date of a regular payment the GBP exchange rate exceeds KZT 580 per GBP 1 for 2023/2024 academic year and KZT 590 per GBP 1 for 2024/2025 academic year, the payment is subject to the corresponding indexation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****Currency risk (continued)**

For other monetary assets and liabilities denominated in foreign currencies, the Group’s policy is aimed at maintaining a net position that is exposed to risk within acceptable limits by buying or selling foreign currency at spot rates, when necessary, to mitigate short-term imbalance. The Group’s exposure to currency risk, based on nominal values, was as follows:

<i>In thousands of tenge</i>	USD- denomina- ted 2024	GBP- denomina- ted 2024	EUR- denomina- ted 2024	USD- denominated 2023	GBP- denominated 2023	EUR- denominated 2023
Cash and cash equivalents	1,488,744	98,981	2,060	232,320	81,603	47,611
Financial assets	2,751,275	-	-	3,848,147	-	-
Trade receivables and other current assets	-	-	-	-	-	-
Trade payables and other current liabilities	(5,269)	(112,610)	-	(13,516)	(78,809)	(7,313)
	4,234,750	(13,629)	2,060	4,066,951	2,794	40,298

The following table demonstrates the sensitivity of the Group’s income before tax to a reasonably possible change in the foreign exchange rate, with all other variables held constant. There is no direct effect on the Group’s net assets.

<i>In thousands of tenge</i>	Change in exchange rate	Effect on profit before tax
31 December 2024		
US dollar	9.09%	172,150
US dollar	-7.34%	(139,008)
	Change in exchange rate	Effect on profit before tax
31 December 2023		
US Dollars	14.15%	575,474
US dollar	-14.15%	(575,474)

Credit risk

Credit risk is the risk that the Group will incur financial losses because its counterparties under a financial instrument fail to discharge their contractual obligations. The credit risk arises mainly from the Group’s existing trade and other receivables, bank deposits and cash in bank accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****Credit risk (continued)**

The carrying amount of financial assets represents the Group’s maximum exposure to credit risk. The Group does not expect any losses as a result of counterparty defaults; therefore, it believes that has minimum exposure to credit risk.

The table below summarises the credit ratings of the banks where the Group has cash and cash equivalents as at the end of 2024 and 2023:

<i>In thousands of tenge</i>	Rating 2024	Rating 2023	Cash and cash equivalents	
			2024	2023
ForteBank JSC	Ba2	Ba2	1,632,646	435,193
Altyn Bank JSC	Baa3	Baa3	–	788
			1,632,646	435,981

Allowance for expected credit losses	–	–
	1,632,646	435,981

The table below summarises the credit ratings of the banks where the Group placed deposits or acquired securities as at 31 December 2024 and 2023:

<i>In thousands of tenge</i>	Rating 2024	Rating 2023	Bank deposits and securities	
			2024	2023
ForteBank JSC	Ba2	Ba2	2,764,780	1,967,325
US Treasury Department	–	Aaa	–	3,230,332
			2,764,780	5,197,657
Allowance for expected credit losses			(13,505)	(61,990)
			2,751,275	5,135,667

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group’s approach to managing liquidity is to ensure to the maximum degree possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation. The Group’s financial liabilities are due during the period of 1 to 6 months.

Fair value

Fair value of financial assets and liabilities is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, other than in a forced or liquidation sale.

At 31 December 2024 and 2023, the value of financial instruments approximates their fair value due to the short-term maturities of these instruments.

In 2024 and 2023, there were no transfers between levels of fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****Changes in the liabilities arising from financing activities**

The changes in the liabilities arising from financial activities for 2024 are as follows:

<i>In thousands of tenge</i>	1 January 2024	Adjustment	Reclas- sified	Interest accrued	Received	Payment of principal	Pay- ment of interest	31 December 2024
Other current financial liabilities	3,207,789	-	-	31,287	20,544,433	(23,751,733)	(31,776)	-
Non-current portion of the lease	72,316	-	(49,347)	13,380	-	-	-	36,349
Current portion of the lease	28,959	-	49,347	-	-	(28,959)	(13,380)	35,967
Total	3,309,064	-	-	44,667	20,544,433	(23,780,692)	(45,156)	72,316

The changes in the liabilities arising from financial activities for 2023 are as follows:

<i>In thousands of tenge</i>	1 January 2023	Adjustment	Reclas- sified	Interest accrued	Received	Payment of principal	Pay- ment of interest	31 December 2023
Other current financial liabilities	8,073,631	-	-	26,531	26,518,700	(31,370,400)	(40,673)	3,207,789
Non-current portion of the lease	101,275	-	(46,140)	17,181	-	-	-	72,316
Current portion of the lease	21,468	-	46,140	-	-	(21,468)	(17,181)	28,959
Total	8,196,374	-	-	43,712	26,518,700	(31,391,868)	(57,854)	3,309,064

Capital management

The Group does not have an official policy to manage capital; however, management undertakes measures to maintain capital at the level sufficient to meet the Group's operating and strategic needs. This objective is achieved through efficient cash management, ongoing monitoring of the Group's revenue and profits as well as planning of long-term investments financed through the Group's operating activities. By taking these measures, the Group seeks to maintain sustainable growth of profits. The Group is not subject to external regulatory requirements with respect to its equity.

29. SUBSEQUENT EVENTS

On 4 February 2025, the Group received borrowings in the amount of KZT 52,160 thousand under the credit facility from ForteBank JSC.

On 27 January 2025 the Group entered into a loan agreement with Caspian Real Estate LLP for the total amount of KZT 4,360,000 thousand, which was received in full in January to April 2025.

On 10 January 2025, the Group completed the construction of the new Community Centre, with the area of 7,7 thousand square meters, in Kosshy, put it into operation and transferred it to the communal property of Kosshy where the residents will be able to attend sports sections, musical classes and cultural events.

On 11 March, the Group transferred the telescopic walkway and the visual observation system and docking guidance (manufactured in Turkey) to the Department of Passenger Transport and Highways of Qyzylorda Region. Initially, the project provided for installing one telescopic walkway; in 2024, the Fund decided to purchase and install the second telescopic walkway with the visual docking guidance.

On 5 April 2025, new tariff measures were enacted in the United States. As a result, every product imported into the US from foreign countries is charged with the extra fee. However, shortly after, the enforcement of these measures was paused for 90 days for all countries except China. Additionally, starting from 9 April 2025, special reciprocal tariffs were introduced for a number of countries. The Company conducted an analysis of the new tariff measures and assessed the impact they may have on the financial reporting. As of the date of these financial statements, no significant effects were identified. Nevertheless, the Company continues to monitor changes in regulations and their potential financial implications in subsequent reporting periods.

In 2025, the Fund transferred free of charge the remaining 150 of 500 flats to the Akimat of Astana for people in need of housing, including those from vulnerable social groups, as part of the Balameken project. The transferred flats are comfort class housing and are located in modern blocks of flats in Astana. All buildings are equipped with high-speed lifts, facial recognition systems, and have underground parking and large courtyard space.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

In May 2025, the Group partially spent KZT 24,609 thousand to finance republication of the book “AZ-and-IA” by Olzhas Suleimenov and the Conference dedicated to the 50th anniversary of the book’s issue out of KZT 78,010 thousand of unused charitable contributions from the Burabike Fest (charitable bicycle race) project.