

**Harry Qelm Baabsman Ltd**

**Financial statements**

*for the year ended December 31, 2023  
with independent auditors' report*

**CONTENTS**

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Independent auditors' report

**Financial statements**

Statement of financial position .....	1
Statement of comprehensive income .....	2
Statement of cash flows .....	3
Statement of changes in equity .....	4
Notes to the financial statements .....	5-14



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## INDEPENDENT AUDITOR'S REPORT

To the Participants and Management of Harry Qelm Baabsman Ltd.

### **Opinion**

We have audited the financial statements of Harry Qelm Baabsman Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its 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 responsibility for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of management for the financial statements**

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, 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.

The partner in charge of the audit resulting in this independent auditor's report is Nurbol Tleuov.

  
Nurbol Tleuov  
Auditor/Director  
TGS Saryarqa Ltd.

Auditor qualification certificate No. МФ-000209 dated February 20, 2020



Audit license for audit activities on the territory of the Astana International Finance Centre No. AFSA-A-LA-2020-0014 issued by the Astana Financial Service Authority on April 4, 2023

6, Saryarka Ave., BC Arman, office 337, Astana  
Z10H9E3, Republic of Kazakhstan

April 29, 2024

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

<i>In thousands of US Dollars</i>	<b>Notes</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other accounts receivable		2	—
Advances given		4	—
Other current assets		—	6
Financial assets at fair value through profit or loss	5	187	150
Cash and cash equivalents	6	4	23
<b>Total current assets</b>		<b>197</b>	<b>179</b>
<b>TOTAL ASSET</b>		<b>197</b>	<b>179</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Shareholders' capital	7	230	230
Accumulated loss		(82)	(59)
Currency translation reserve		3	—
<b>Total equity</b>		<b>151</b>	<b>171</b>
<b>Current liabilities</b>			
Borrowings: current portion	8	44	—
Other current liabilities		2	8
<b>Total current liabilities</b>		<b>46</b>	<b>8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>197</b>	<b>179</b>

Chief Executive Officer



Chief Financial Officer

Babanazarov D.

Batayev A.

**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2023**

<i>In thousands of US Dollars</i>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
Management fee income		<b>15</b>	2
Administrative expenses	9	<b>(45)</b>	(62)
<b>Operating loss</b>		<b>(30)</b>	<b>(60)</b>
Net trading income		<b>5</b>	5
Net foreign currency gains or losses		<b>(3)</b>	5
Net gains on financial assets at fair value through profit or loss		<b>4</b>	(5)
Other income		<b>1</b>	—
<b>Loss before tax</b>		<b>(23)</b>	<b>(55)</b>
Income tax expenses		—	—
<b>Loss for the period</b>		<b>(23)</b>	<b>(55)</b>
Other comprehensive income		<b>3</b>	—
<b>Total comprehensive loss for the period</b>		<b>(20)</b>	<b>(55)</b>

Chief Executive Officer


*Babanazarov D.*

Chief Financial Officer

*Batayev A.*

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

<i>In thousands of US Dollars</i>	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Cash receipts from management fee		14	1
Cash payments to suppliers		(12)	(11)
Payments to employees		(26)	(35)
Taxes and payments to the budget		(10)	(12)
<b>Net cash flows used in operating activities</b>		<b>(34)</b>	<b>(57)</b>
<b>Cash flows from investing activities</b>			
Purchase of financial assets at fair value		(29)	(150)
<b>Net cash flows used in investing activities</b>		<b>(29)</b>	<b>(150)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from shareholders	7	–	161
Receipt of borrowings		44	–
<b>Net cash received from financing activities</b>		<b>44</b>	<b>161</b>
<b>Net change in cash and cash equivalents</b>		<b>(19)</b>	<b>(46)</b>
Exchange gains/(losses) on cash and cash equivalents		–	2
Cash and cash equivalents at the beginning of the period		23	67
<b>Cash and cash equivalents at the end of the period</b>		<b>4</b>	<b>23</b>

Chief Executive Officer



Babanazarov D.

Chief Financial Officer

Batayev A.



## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

<i>In thousands of US Dollars</i>	Notes	Shareholder s' capital	Currency translation reserve	Retained earnings	Total
<b>As at December 31, 2021</b>		<b>69</b>	<b>–</b>	<b>(4)</b>	<b>65</b>
Profit for the year		–	–	(55)	(55)
Other comprehensive income		–	–	–	–
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>–</b>	<b>(55)</b>	<b>(55)</b>
Contribution to the Shareholders' capital	7	161	–	–	161
<b>As at December 31, 2022</b>		<b>230</b>	<b>–</b>	<b>(59)</b>	<b>171</b>
Profit for the year		–	–	(23)	(23)
Other comprehensive income		–	3	–	3
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>3</b>	<b>(23)</b>	<b>(20)</b>
Contribution to the Shareholders' capital		–	–	–	–
<b>As at December 31, 2023</b>		<b>230</b>	<b>3</b>	<b>(82)</b>	<b>151</b>

Chief Executive Officer



Babanazarov D.

Chief Financial Officer

Batayev A.



**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2023****1. GENERAL INFORMATION**

Harry Qelm Baabsman Ltd. ("Company") was registered in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Finance Centre" ("AIFC") and the Laws and Regulations of AIFC on December 9, 2021 ("Registration date").

The Company's legal address is the Republic of Kazakhstan, Astana, Mangilik El ave, building 55/20 , office 351-352.

As at December 31, 2023 the participants of the Company were as follows:

	<b>2023</b>	<b>2022</b>
Damir Babanazarov	<b>57%</b>	57%
Arman Batayev	<b>43%</b>	43%
	<b>100%</b>	<b>100%</b>

The Company is responsible for managing the fund known as The Steppe Eagle ("Fund").

These financial statements were authorized for issue and signed by the Chief executive officer and Chief financial officer on 29 April 2024.

**2. BASIS FOR PREPARING FINANCIAL STATEMENTS AND BASIC PROVISIONS OF ACCOUNTING POLICIES****Basis of preparing financial statements**

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS) as amended by the International Accounting Standards Board ("IASB").

These financial statements have been prepared in accordance with historical cost basis. Financial statements are presented in USD and all amounts are rounded to the nearest thousands, except where otherwise indicated.

**3. SIGNIFICANT ACCOUNTING POLICIES****New and amended standards and interpretations**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**IFRS 17 Insurance Contracts**

IFRS 17 *Insurance Contracts* is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 *Insurance Contracts*. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

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

**Definition of Accounting Estimates - Amendments to IAS 8**

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****New and amended standards and interpretations (continued)****Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

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

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

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million/year.

**Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback***

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

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

**Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****New and amended standards and interpretations (continued)****Amendments to IAS 1: *Classification of Liabilities as Current or Non-current* (continued)**

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

**Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist 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 will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

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

**Foreign currency translation****(i) *Functional and presentation currency***

These financial statements are expressed in thousands of US Dollars, unless stated otherwise. The functional currency of the Company is Tenge. These financial statements have been prepared in US Dollars to comply with the AIFC reporting rules for PRU Investment firms.

**(ii) *Transactions and balances in foreign currencies***

Transactions in foreign currencies are translated into functional currency at exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss for the year.

**Classification of assets and liabilities as current and non-current**

In the statement of financial position, the Company presents assets and liabilities based on their classification as current and non-current in the statement of financial position. An asset is current if:

- it is supposed to be realized or it is intended for sale or consumption within the normal operating cycle;
- it is intended primarily for trading purposes;
- it is supposed to be implemented within 12 (twelve) months after the end of the reporting period; or
- it represents cash or cash equivalents, unless there are restrictions on its exchange or use to pay off obligations for at least 12 (twelve) months after the end of the reporting period.

All other assets are classified as non-current.

Liabilities are current, if:

- it is supposed to be extinguished within the normal operating cycle;
- it is held mainly for trading purposes;
- it is repayable within 12 (twelve) months after the end of the reporting period; or
- the Company does not have an unconditional right to defer repayment of the obligation for at least 12 (twelve) months after the end of the reporting period.

The Company classifies all other liabilities as non-current.

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

**Fair value measurement**

For the purpose of fair disclosure, the Company has classified assets and liabilities based on their nature, inherent characteristics and risks, and the applicable level in the fair value hierarchy, as set out below.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Classification of assets and liabilities as current and non-current (continued)****Fair value measurement (continued)**

All assets and liabilities for which fair value is disclosed in the financial statements are categorized 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 - Quotes (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which inputs the lowest level that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which inputs the lowest level that is significant to the fair value measurement is unobservable.

**Financial instruments**

A financial instrument is a contract that results in the simultaneous creation of a financial asset for one company and a financial liability or an equity instrument for another.

**A) Financial assets***Initial Recognition and Measurement*

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied practical expediency, the Company initially measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that the contractual terms of this asset determine the receipt of cash flows, which are "payments exclusively on principal and interest" on the outstanding part principal amount of debt.

This assessment is referred to as the SPPI test and is performed at an instrument level. The Company'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.

Purchase or sale of financial assets that require delivery of assets within a frame time established by regulation and convention in the marketplace (regular way trades) are recognized on the date, i.e., the date that the Company commits to purchase or sell the asset.

As of the reporting date, the Company's financial assets are represented by equity, commodity securities and cash and cash equivalents.

*Subsequent measurement - Financial assets at amortized cost*

This category is the most relevant to the Company. The company measures financial assets at amortized cost if both of the following conditions are met: (1) the financial asset is held in the business model with the objective to hold financial assets in order to collect contractual cash flows; and (2) 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 amortized cost is subsequently measured using the effective interest method (EIR) and are subject to impairment. Finance income is recognized as interest accrues (using EIR method, which result the expected future cash flows over the expected life of the financial instrument to the net book value of the financial asset). Gains or losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

*Cash and cash equivalents*

Cash and cash equivalents include cash on current bank accounts and idle cash on brokerage accounts. Cash and cash equivalents are carried at amortized cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial instruments(continued)*****A) Financial assets (continued)****Derecognition*

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) if:

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

When the Company 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 it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the Company also recognizes the associated liability. The transferred asset and the related liability are measured on a basis that reflects the rights and obligations that the Company 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 Company could be required to repay.

*Impairment of financial assets*

The Company recognizes 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 cash flows that the Company 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 enhancement that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been 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 significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of exposure, irrespective of the timing of the default (a lifetime ECL).

***B) 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, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

*Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another 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 the derecognition of original liability and the of recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

***C) Offsetting 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 currently enforceable legal right to offset recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Impairment of non-financial assets**

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or if annual impairment testing of an asset is required, the Company makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the greater of the fair value of the asset or cash generating unit (CGU) less costs to sell and the asset's 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 generated by other assets or groups of assets.

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

In value in use, future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market estimate of the time value of money and the risks inherent in the asset. In determining fair value less costs to sell, recent market transactions are taken into account. In their absence, the appropriate valuation model is applied.

Impairment calculations are based on detailed plans and forward-looking calculations, which are prepared separately for each of the Company's cash-generating units to which individual assets relate. These plans and forecast calculations, as a rule, are made for five years. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows beyond the fifth year.

An assessment is made at each reporting date as to whether there is any indication that an impairment loss previously recognized may no longer exist or may have decreased. If such indication exists, then the recoverable amount is estimated. A previously recognized impairment loss is only reversed if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognised. Recovery is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor can it exceed the carrying amount, less depreciation, at which the asset would have been recognized if no impairment loss had been recognized in prior years. Such recovery is recognized in the statement of comprehensive income.

After the reversal entry is made, the depreciation expense in subsequent periods is adjusted to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**Shareholders' capital**

Assets contributed into Shareholders' capital are recognized at fair value at the time of contribution. Any excess of the fair value of the contributed assets over the nominal value of contribution into the Shareholders' capital is attributed directly to equity.

**Payroll expenses and payroll related deductions**

Payroll expenses, pension contributions, contributions to the social insurance fund, paid annual vacations and sick leaves, bonuses and non-cash benefits are charged upon completion of certain types of works by employees of the Company. The Company pays pension and retirement benefits stipulated by the legislation of the Republic of Kazakhstan on behalf of its employees. Such expenses and payments are shown in separate statements of comprehensive income as incurred.

Upon retirement of employees, the financial liabilities of the Company are derecognized and all subsequent payments to retired employees are made by state and private savings pension funds.

**Taxation of AIFC participants**

In accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Finance Centre" participants of the AIFC are exempt from the obligation to pay corporate income tax from following sources:

- Islamic banking services;
- reinsurance and insurance brokerage services;
- services for the investment management of the assets of investment funds, their accounting and storage, as well as ensuring the issuance, placement, circulation, redemption and redemption of securities of investment funds.

In connection with the provided CIT benefits (0% rate), the Company does not have deferred tax positions on temporary differences on assets and liabilities, and tax losses carried forward.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions at the end of the reporting period that affect the reported amounts of revenue, expenses, assets and liabilities, and 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 the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

*Taxation*

When assessing tax risks, management considers as potential risks those areas of non-compliance with tax laws that the Company is unable to challenge or does not believe it will be able to successfully challenge if additional taxes are assessed by the tax authorities. Such a determination requires significant judgment and is subject to change as a result of changes in tax laws and regulations, the determination of expected outcomes in pending tax proceedings and the outcome of due diligence by the tax authorities.

As of December 31, 2023 and 2022, management believes that all obligations of the Company as a AIFC participant and the provisions of the Tax Code of the Republic of Kazakhstan regarding the requirements for participants in the AIFC are fully met.

*Measurement of financial instruments at fair value*

Where the fair value of financial assets recognized in the statement of financial position cannot be determined based on quoted prices in active markets, they are determined using valuation techniques. Observable markets are used as input to these models whenever possible, but where this is not practicable, a certain amount of judgment is required to establish fair value. Judgments include taking into account inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors may affect the fair value of financial instruments as reported in the financial statements.

**5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

<i>In thousands of US Dollars</i>	<b>December 31, 2023</b>	December 31, 2022
Stocks	<b>146</b>	82
Exchange traded funds (ETF)	<b>29</b>	62
Cash	<b>12</b>	6
	<b>187</b>	150

**6. CASH AND CASH EQUIVALENTS**

<i>In thousands of US Dollars</i>	<b>December 31, 2023</b>	December 31, 2022
Current bank accounts, KZT	<b>4</b>	10
Current bank accounts, USD	—	12
Cash on deposit accounts, KZT	—	1
Less: estimated allowance for expected credit losses	—	—
	<b>4</b>	23

**7. SHAREHOLDERS' CAPITAL**

As of December 31, 2023 and 2022 the registered Capital of the Company was 230 thousand US Dollars and 230 thousand US Dollars, respectively.

In 2022, the participants made contributions to the Shareholders' capital in the form of cash in the amount of 161 thousand US Dollars.



**NOTES TO THE FINANCIAL STATEMENTS (continued)****8. BORROWINGS**

<i>In thousands of US Dollars</i>	<b>2023</b>	<b>2022</b>
Damir Babanazarov	<b>22</b>	–
Arman Batayev	<b>22</b>	–
	<b>44</b>	–

**9. ADMINISTRATIVE EXPENSES**

<i>In thousands of US Dollars</i>	<b>2023</b>	<b>2022</b>
Payroll and related taxes	<b>36</b>	46
AFSA services	<b>3</b>	8
Consulting services	<b>3</b>	2
Bank services	<b>1</b>	2
Rent	<b>1</b>	2
Other	<b>1</b>	2
	<b>45</b>	62

**10. RELATED PARTIES**

For the purposes of these financial statements, related parties are considered to be parties, one of which able to control or exercise significant influence over the financial and operational decisions of the party as designed in IAS 24 “Related Party Disclosures”. When deciding whether the parties are related, the content of the relationship between parties is considered, rather than solely on their legal basis.

*Key management personnel remuneration*

The Company paid to the key management personnel in amount of 13 thousand USD and 11 thousand USD in 2023 and 2022, respectively.

*Management fee*

The Harry Qelm Baabsman Ltd provides investment management services to The Steppe Eagle OEIC in accordance with the Fund's Constitution. The Management receives compensation for its services based on the Net asset value (NAV) of the Fund, which is calculated in accordance with the Fund's Constitution. The fee, that is 0.5% of the NAV, is paid on a monthly basis. The total management fees for the year ended on December 31st, 2023 amounted to USD 14,645.

*Success fee*

The Harry Qelm Baabsman Ltd provides investment management services to The Steppe Eagle OEIC in accordance with the Fund's Constitution. The Fund manager receives a Success fee that is 25% if the Fund's return exceeds the mark of 7%, accrued daily, paid once a year within 20 business days after the conclusion of the year. For the year ended on December 31st, 2023 the Fund manager did not receive Success fee.

**11. FINANCIAL RISK MANAGEMENT POLICY**

The Company's principal financial instruments include cash and cash equivalents and financial assets. The main risk arising from the Company's financial instruments is market risk and credit risk. The Company also monitors the liquidity risk arising from financial liabilities.

**Market risk**

Market risk is that the risk the company's earnings or capital or its ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates prices. Market risk covers financial assets at fair value through profit or loss.

**Credit risk**

Credit risk is the risk that the Company will incur financial losses because the counterparties will not meet their obligations under the financial instrument or the client agreement. Financial instruments that may expose Companies to credit risk consist of cash receivables and finance lease receivables.

The maximum amount of risk is the present value, as disclosed in *Note 6*.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****11. FINANCIAL RISK MANAGEMENT POLICY (continued)****Credit risk (continued)**

The following table shows the balance of cash, not including provision on expected credit loss, placed in banks at the reporting date using credit rating of “Standard & Poor's”.

Bank	Rating		December 31	December 31
	2023	2022	2023	2022
“Bank CenterCredit” JSC	<b>BB-/positive</b>	B1/positive	<b>3</b>	13
“First Heartland Jysan Bank” JSC	<b>Ba3/positive</b>	B1/positive	<b>1</b>	10
			<b>4</b>	23

**Operating environment**

Kazakhstan continues economic reforms and the development of legal, tax and administrative infrastructure that would meet the requirements of a market economy. The future stability of the Kazakhstani economy will largely depend on the progress of these reforms, as well as on the effectiveness of the measures taken by the Government in the field of economy, financial and monetary policy.

**12. CAPITAL RISK MANAGEMENT****Introduction**

Risk management is inherent in the Company’s activities and is an essential element of the Company’s operations. The major risks faced by the Company are those related to market risk, liquidity risk and operational risks.

The Company’s risk management policies aim to identify, analyse and manage the risks faced by the Company, to set appropriate risk limits and controls, and to monitor continuously risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions.

**Risk Committee**

The purpose of the Risk Committee is to oversee the risk management matters including other compliance matters that have direct effect on the risk management of the Harry Qelm Baabsman Ltd.

The Risk Committee is established to ensure that the Company has robust operational risk management framework with appropriate systems and controls to identify, monitor and manage operational risks that key participants, service providers (including outsources) and utility providers might pose to itself. Its main functions are:

- Overseeing and revision of risk management, compliance, anti-money laundering, counter-terrorism financing and sanctions management policies and manual and Code of Conduct for their further approval by the Board of the Company;
- Coordinating activities for implementation of legal requirements for sanctions, compliance and combating legalization (laundering) of proceeds of crime and terrorist financing;
- Monitoring of the integrity and compliance of the financial statements and reporting of the Company, including its annual and half-yearly reports, preliminary results announcements and any other formal reporting relating to its regulated activity.

**Requirements of Investment companies according to the AIFC prudential rules for investment firms**

The below tables summarize the regulatory capital composition and capital adequacy ratios of the Company for the year ended December 31, 2023. During this year, the Company complied with all of the externally imposed capital requirements to which it is subject to.

**Capital Resources**

<i>In thousands of US Dollars</i>	December 31, 2023	December 31, 2022
The ordinary equity share capital of Company, to the extent fully paid up	<b>230</b>	230
Loss for the year	<b>(23)</b>	(55)
<b>TOTAL CAPITAL</b>	<b>207</b>	175

**NOTES TO THE FINANCIAL STATEMENTS (continued)****12. CAPITAL RISK MANAGEMENT (continued)****Minimum Capital Requirements**

<b>Capital requirement</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Base</b>	<b>50</b>	<b>50</b>
Credit risk	—	—
Market risk	—	—
Operational risk	—	—
<b>TOTAL MINIMUM</b>	<b>50</b>	<b>50</b>
<b>Total Capital</b>	<b>151</b>	<b>171</b>
<b>Capital Resources/ Capital Requirements</b>	<b>3.02</b>	<b>3.42</b>

**Liquid Assets Requirements**

According to requirements of AFSA the Company must have all times liquid assets whose value is at least equal to 25% of its Annual Operating Expenditures. As of December 31, 2023, the Company is in full compliance with liquid assets requirement imposed by the Regulator (AFSA).

<i>In thousands of US Dollars</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash and cash equivalents	<b>4</b>	23
Financial assets at fair value through profit or loss	<b>12</b>	6
<b>Total liquid assets</b>	<b>16</b>	29
Annual operating expenditures	<b>50</b>	67
<b>LIQUID ASSETS RATIO</b>	<b>0.32%</b>	0.43%

**13. CONTINGENT LIABILITIES****Taxation**

Kazakhstani tax laws and regulations are subject to constant change and varying interpretations. There are frequent cases of divergence of opinions between local, regional, and republican tax authorities, including approaches to the recognition of income, expenses and other items in the financial statements under IFRS. The currently applied system of fines and penalties for detected offenses based on the laws in force in Kazakhstan is very severe. Due to the inherent uncertainty of the Kazakhstani taxation system, the potential amount of taxes, penalties and interest, if any, could exceed the amount expensed to date and accrued as at December 31, 2023.

Management believes that as at December 31, 2023 its interpretation of applicable law is appropriate and it is probable that the Company's tax position will be sustained.

**14. SUBSEQUENT EVENTS**

The Company has not had any significant events since the reporting date.