KIMEP University NJSC

Financial statements

For the year ended December 31, 2022

with Independent auditor's report

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES
for the preparation and approval of the financial statements
for the year ended December 31, 2022

The following statement, which should be read in conjunction with the independent auditor's responsibilities, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the financial statements KIMEP University NJSC (the "Company").

Management of the Company is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2022, the results of its operations, cash flows and changes in equity of the Company for the year ended December 31, 2022, in accordance with the International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether requirements of the accounting legislation of the Republic of Kazakhstan and IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records and operations in compliance with the legislation of the Republic of Kazakhstan and the IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud, errors and other irregularities.

Signed and approved of issue on behalf of Management of the Company on March 27, 2023:

Provost and General Deputy to the President — Timothy Lewis Barnett

Chief Accountant — Ardak Kiyabayeva

Қазақстан Республикасы Алматы қаласы «КИМЭП Университеті» бейкоммерциялық акционерлік қоғамы
Республика Казахстан город Алматы Некоммерческое Акционерное Общество «Университет КИМЭП»
KIMEP

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Management of KIMEP University NJSC

Opinion

We have audited the financial statements of KIMEP University NJSC (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, 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 financial statements» section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and ethical requirements applicable to the audit of the financial statements in the Republic of Kazakhstan, 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.

Responsibility of management and those charged with governance 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 have no realistic alternative but to do so.

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

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 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;
- obtain sufficient appropriate audit evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.

The engagement partner on the audit resulting in this independent auditor's report is Yerlan Islambekov.

Yerlan Islambekov Director Baker Tilly Qazaqstan Audit LLP	Yerlan Islambekov Auditor
State audit license for audit activities on the territory of the Republic of Kazakhstan #20013143 issued by the Internal State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan dated September 09, 2021	Auditor qualification certificate #МФ–0000185 dated May 29, 2014

March 27, 2023

STATEMENT OF FINANCIAL POSITION
As of December 31, 2022

In thousands of Tenge	Notes	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	**4,440,069**	4,559,515
Intangible assets		**5,659**	5,794
Advances paid and other accounts receivable	6	**18,127**	86,582
Financial assets, non-current portion	11	**510**	6,814
Trade receivable, non-current portion	7	**685**	3,899
		4,465,050	4,662,604
Current assets			
Cash and cash equivalents	10	**825,080**	186,530
Trade receivable	7	**26,383**	14,523
Other receivable	6	**68,950**	86,169
Inventories	8	**110,975**	99,756
Current tax assets	6	**13,488**	25,349
Current financial assets	11	**3,419**	3,419
Other financial investments	9	**7,843,585**	6,981,868
		8,891,880	7,397,614
TOTAL ASSETS		**13,356,930**	12,060,218
EQUITY			
Share capital	12	**537,146**	537,146
Retained earnings		**10,360,437**	9,470,371
TOTAL EQUITY		**10,897,583**	10,007,517
LIABILITIES			
Non-current liabilities			
Contract liabilities, non-current portion	13	**138,362**	138,785
		138,362	138,785
Current liabilities			
Trade and other payables	14	**90,120**	110,635
Contract liabilities	13	**1,676,455**	1,345,280
Estimated liabilities	15	**464,165**	380,220
Current tax liabilities	16	**57,561**	52,977
Liabilities for obligatory payments	17	**32,684**	24,804
		2,320,985	1,913,916
TOTAL LIABILITIES		**2,459,347**	2,052,701
TOTAL EQUITY AND LIABILITIES		**13,356,930**	12,060,218

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

Signed and approved of issue on behalf of Management on March 27, 2023:

Provost and General Deputy to the President _______________ *Timothy Lewis Barnett*

Chief Accountant _______________ *Ardak Kiyabayeva*

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2022

In thousands of Tenge	Notes	2022	2021
Revenue	18	**5,423,867**	4,673,908
Cost of sales	19	**(3,326,601)**	(2,760,885)
Gross profit		**2,097,266**	1,913,023
Administrative expenses	21	**(1,398,980)**	(980,013)
Selling expenses	20	**(229,997)**	(125,826)
Changes in provisions	23	**(46,339)**	(4,163)
Other Income, net	22	**109,236**	115,436
Operating income / (loss)		**531,186**	918,456
Finance income	25	**146,152**	195,057
Foreign exchange gain / (loss), net	24	**212,728**	79,566
Profit / (loss) before income tax		**890,066**	1,193,079
Corporate income tax expense		–	–
Net income / (loss) for the year		**890,066**	1,193,079
Other comprehensive income		–	–
Total comprehensive income / (loss) for the year		**890,066**	1,193,079

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

Signed and approved of issue on behalf of Management on March 27, 2023:

Provost and General Deputy to the President — *Timothy Lewis Barnett*

Chief Accountant — *Ardak Kiyabayeva*

STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

In thousands of Tenge	2022	2021
OPERATING ACTIVITIES:		
Profit / (loss) before income tax	**890,066**	1,193,079
Adjustments for:		
Finance income	**(149,037)**	(195,057)
Finance costs	**6,304**	-
Depreciation and amortization	**277,885**	209,655
Impairment losses	**46,339**	4,163
Gain / (loss) from disposal of assets, net	**152**	399
Foreign exchange gain / (loss), net	**(212,728)**	(79,933)
	858,981	1,132,306
Changes in working capital:		
Change in advances issued and other current assets	**85,997**	(44,931)
Change in trade receivables	**(22,014)**	7,030
Change in inventories	**(44,186)**	(2,982)
Change in the vacation reserve	**83,945**	59,597
Change in contract liabilities	**330,747**	71,684
Change in liabilities for other taxes and obligatory payments to budget	**24,327**	12,193
Changes in trade and other payables	**(20,411)**	(31,277)
	1,297,386	1,203,620
Corporate income tax paid	–	–
Interest received	–	–
Net cash flows from operating activities	**1,297,386**	1,203,620
INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment and intangible assets	**(154,552)**	(658,982)
Acquisition of intangible assets	**(3,904)**	(4,135)
Repayment of other financial assets	–	3,418
Placement of deposits	**(11,413,993)**	(9,535,372)
Proceeds from deposits	**10,897,543**	8,951,594
Interest received	**122,225**	33,947
Net cash flows from investing activities	**(552,681)**	(1,209,530)
FINANCING ACTIVITIES:		
Contribution to the share capital	–	–
Net cash flows from financing activities	–	–
Net increase in cash and cash equivalents	**744,705**	(5,910)
Impact of changes in exchange rates	**(106,155)**	(2,177)
Cash and cash equivalents at the beginning of the year	**186,530**	194,617
Cash and cash equivalents at the end of the year	**825,080**	186,530

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

Signed and approved of issue on behalf of Management on March 27, 2023:

Provost and General Deputy to the President — *Timothy Lewis Barnett*

Chief Accountant — *Ardak Kiyabayeva*

STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2022

In thousands of Tenge	Share capital	Retained earnings	Total
As at January 1, 2021	537,146	8,277,292	**8,814,438**
Net income for the year	–	1,193,079	**1,193,079**
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	1,193,079	**1,193,079**
As at December 31, 2021	**537,146**	**9,470,371**	**10,007,517**
Net income for the year	–	890,066	**890,066**
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	890,066	**890,066**
As at December 31, 2022	**537,146**	**10,360,437**	**10,897,583**

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

Signed and approved of issue on behalf of Management on March 27, 2023:

Provost and General Deputy to the President — *Timothy Lewis Barnett*

Chief Accountant — *Ardak Kiyabayeva*

1. GENERAL INFORMATION

Non-profit joint stock company "KIMEP University" was established in accordance with the Decree of the President of the Republic of Kazakhstan "On the reorganization of the Kazakhstan Institute of Management, Economics and Forecasting under the President of the Republic of Kazakhstan" dated August 28, 2003 and the Decree of the Government of the Republic of Kazakhstan dated November 14, 2003. KIMEP was reorganized into a joint stock company, July 7, 2004 passed the state re-registration in the Ministry of Justice of the Republic of Kazakhstan. (The date of the last re-registration of the Company is July 1, 2019).

As at December 31, 2022 the structure of shareholders of the Company was presented as follows:

		December 31, 2022		December 31, 2021	
#	Name of the shareholder	**Share, %**	**Amount**	Share, %	Amount
1	Mr. Chan Yan Bang	**60%**	**322,277**	60%	322,277
2	State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan	**40%**	**214,869**	40%	214,869
		100%	**537,146**	100%	537,146

KIMEP University operates in the area of undergraduate, graduate/postgraduate and extended education as prescribed by legislation of the Republic of Kazakhstan. As a higher educational institution, KIMEP University also acts on the basis of Catalogue, Faculty Code of Practice and other documents, which regulate academic process and internal rules

The legal address of the Company: Republic of Kazakhstan, Almaty city, Medeu district, Abai Avenue, 4, postal code 050010.

The financial statements of the Company were approved for issue by the management of the Company on March 27, 2023.

2. BASIS OF PREPARATION

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as amended by the International Accounting Standards Board (IASB).

These financial statements have been prepared on a historical cost basis. The financial statements are presented in Tenge and all amounts are rounded to the nearest thousand, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Current versus non-current classification of assets and liabilities

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification.

An asset is current when it is:

- expected to be realized or intended to sold or consumed within the normal operating cycle;
- held primarily for purpose of trading;
- expected to be realized 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 Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained below.

All assets and liabilities for which fair value is measured or 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 — 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

Revenue from contracts with customers

At the time a contract for the sale of goods and services is entered into, the Company evaluates the assets promised under the contract with a customer and identifies as a performance obligation each promise to transfer to the customer an asset that is distinct or a set of distinct assets that are substantially the same and are transferred to the customer on the same scheme.

Revenue from the sale of services is recognized in the period in which the services are rendered.

Revenue from the sale of services is recognized over time if any of the following criteria are met:

- The Buyer simultaneously receives and consumes the benefits associated with the fulfillment by the Company of the specified obligation as it is fulfilled by the Company;
- In the process of satisfying the entity's performance obligation, an asset is created or improved, over which the acquirer obtains control as the asset is created or improved; or
- The fulfillment by the Company of its duty does not result in the creation of an asset that the Company cannot use for alternative purposes, and the Company has a legally enforceable right to receive payment for the completion of part of the contract work to date.

In other cases, revenue from the sale of services is recognized at a point in time.

Contract balances

Contract asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

Trade receivables represent the Company’s right to consideration, which is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Accounting policies for financial assets are discussed in Financial instruments – initial recognition and subsequent measurement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract balances (continued)

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs its duties under the contract.

Expenses

Expenses are recorded at the time of the actual receipt of the relevant goods or services, independent of when the cash and cash equivalents have been paid and are reported in the financial statements in the period to which they relate on the accrual basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries which the Company operates and receives taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes (continued)

Deferred tax (continued)

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 asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The management of the Company does not recognize deferred tax due to the fact that the Company is classified as an organization operating in the social sphere. According to the tax legislation of the Republic of Kazakhstan, when determining the amount of corporate income tax payable to the budget, the Company reduces the amount of calculated corporate income tax by 100% if income from those operating in the social sphere, taking into account income in the form of property received free of charge, interest on deposits , as well as the excess of the amount of the positive exchange difference over the amount of the negative exchange difference arising from such income, constitute at least 90% of the total annual income of the Company.

Value Added Tax (VAT)

The object of VAT taxation is the Company's taxable turnover, which consists of sales turnover in the Republic of Kazakhstan of goods and materials.

VAT payable

In accordance with the Tax Code of the Republic of Kazakhstan, the excess of the amount of VAT accrued over the amount of offset VAT is recognized as payable to the budget, that is, the VAT accrued on the sale of goods (works, services) is credited against acquisitions (purchases) on a net basis.

In accordance with Art. 394 of the Tax Code of the Republic of Kazakhstan, sales of educational services in the field of education, carried out under the relevant licenses for the right to carry out these types of activities, are exempt from VAT.

VAT recoverable

The VAT recognized as offset is formed on the acquired goods (works, services). The Company has the right to include VAT amounts payable for received goods, including fixed assets, intangible assets, works and services, if they are used in the reporting tax period or will be used for taxable turnover, as well as for availability of supporting documents.

In accordance with Art. 394 of the Tax Code of the Republic of Kazakhstan, sales of educational services in the field of education, carried out under the relevant licenses for the right to carry out these types of activities, are exempt from VAT.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deductions from employee benefits

The Company pays social tax and social contributions in accordance with the tax legislation of the Republic of Kazakhstan at the rates of 9.5% and 3.5%, respectively, and compulsory health insurance at the rate of 3% from January 1, 2022, as well as withholds and pays medical insurance at the rate 2% of the salary.

In accordance with the requirements of the legislation of the Republic of Kazakhstan, the Company pays 10% of the salary of each employee to a unified pension fund.

The Company also withholds income tax from employees' wages at the rate of 10%, and pays it to the budget of the Republic of Kazakhstan.

Foreign currencies

The Company's financial statements are presented in Tenge, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the 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 of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The weighted average exchange rates established on the Kazakhstan Stock Exchange (hereinafter referred to as "KASE") are used as official exchange rates in the Republic of Kazakhstan.

The exchange rate as at December 31, 2022, as well as the weighted average rates prevailing for the year ended December 31, 2022, are presented as follows:

	Closing exchange rate		Average exchange rate	
	December 31, 2022	December 31, 2021	**2022**	2021
US Dollar	**462.65**	431.67	**460.48**	426.03
Euro	**492.86**	487.79	**484.22**	504.04

Property, plant and equipment

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

The initial cost of assets includes the acquisition cost, including the import duties and not recoverable taxes, cost of loans, in case of long-term construction of the project and also any direct costs connected with reduction of an asset in the working condition and delivery to the place of intended use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Estimated useful life
Buildings and constructions (including leasehold improvements)	25-50 years
Machinery and equipment	5-15 years
Vehicle	7-10 years
Other	4-17 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) 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 when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In respect of either short-term leases or leases for which the underlying asset is of low value, the Company recognises the lease payments associated with those leases as an expense on a straight-line basis.

Company as a lessee

At the commencement date, the Company recognises a right-of-use asset and a lease liability. At the commencement date, the Company measures the right-of-use asset at cost. the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the incremental borrowing rate.

Company as a lessor

The Company classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Finance leases

At the commencement date, the Company recognises assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. The Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Operating leases

The Company recognises lease payments from operating leases as income on a straight-line basis.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each item to its present location and condition are accounted for on a weighted average method (WAM) basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated selling costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company 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 or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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 (OCI), 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 the practical expedient, the Company 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 receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Initial recognition and measurement (continued)

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.

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, or both.

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

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity 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 Company. The Company measures 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 recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets include trade receivables.

Derecognition

A financial asset (or, where applicable, a 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) when:

- The rights to receive cash flows from the asset have expired; or
- The Company 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 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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Derecognition (continued)

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 of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company 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 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

ECLs are recognized 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).

For trade receivables the Company does not recognize provision for expected credit losses as the receivables are fully covered by the bank guarantees.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or as 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 and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of 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 recognized in the statement of profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Financial liabilities at fair value through profit or loss (continued)

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 Company has not designated any financial liability as at fair value through profit or loss.

Trade payables

After initial recognition, trade payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

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 as finance costs in the statement of profit or loss.

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 the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized 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 statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Provisions

Provisions are recognized when the Company 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 can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Application of new and revised International financial reporting standards

The Company has adopted the following new or revised standards and interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee (the “IFRIC”) which became effective for the Company’s financial statement for the year ended December 31, 2022:

The amendment Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.;

The amendment to IAS 37 Provisions, contingent liabilities and contingent assets onerous contracts

The amendment provides cost of fulfilling a contract. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).;

The amendment to Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

IAS 41 Agriculture

The amendment to IAS 41 removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Annual Improvements to IFRS Standards 2018-2020:

IAS 16 Property, plant and equipment

The amendment to IAS 16 Property, plant and equipment - proceeds before intended use. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs.

IFRS 9 Financial instruments

The amendment to IFRS 9 Financial instruments – clarifies which fees an entity includes when it applies the 10 per cent test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annual Improvements to IFRS Standards 2018-2020: (continued)

IFRS 16 Leases

The amendment to IFRS 16 Leases - removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The adoption of the new or revised standards did not have significant effect on the financial position or performance of the Company.

New and revised IFRSs in issue but not yet effective

A number of new Standards and Interpretations has been issued and not yet adopted as at December 31, 2022 and had not been applied in preparation of these financial statements. Following Standards and Interpretations are relevant to operations of the Company. The Company intends to adopt these Standards and Interpretations from their effective dates. The Company has not analyzed potential effect of adoption of these standards on its financial statements.

At the date of authorization of this financial information, the following new standards and interpretations were in issue, but not mandatorily yet effective, and which the Company has not early adopted:

IFRS 17 Insurance contracts

IFRS 17 Insurance contracts requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. Applicable to annual reporting periods beginning on or after January 1, 2023.

Amendments to IAS 1 and IFRS Practice Statement 2

Disclosure of Accounting Policies require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2. Annual reporting periods beginning on or after January 1, 2023.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors replace the definition of changes in accounting estimates with the definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. Annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction clarifies that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. Annual reporting periods beginning on or after January 1, 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and revised IFRSs in issue but not yet effective (continued)

Amendment to IFRS 17 Leases

The amendments to initial Application of IFRS 17 Leases and IFRS 9 Financial Instruments — Comparative Information permit entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. Annual reporting periods beginning on or after January 1, 2023.

Amendments IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-Current aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. Applicable to annual reporting periods beginning on or after January 1, 2024.

Non-current Liabilities with Covenants (Amendments IAS 1 Presentation of Financial Statements) clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Applicable to annual reporting periods beginning on or after January 1, 2024.

Amendments to IFRS 16 Leases

Lease Liability in a Sale and Leaseback clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. Applicable to annual reporting periods beginning on or after January 1, 2024.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures— Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

The Company intends to adopt these new standards and amendments, if applicable, when they become effective.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In applying the Company's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the financial statements:

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Revenue from contracts with customers

At the time a contract for the sale of goods and services is entered into, the Company evaluates the assets promised under the contract with a customer and identifies as a performance obligation each promise to transfer to the customer an asset that is distinct or a set of distinct assets that are substantially the same and are transferred to the customer on a the same scheme.

Revenue from the sale of services is recognized in the period in which the services are rendered.

Revenue from the sale of services is recognized over time if any of the following criteria are met:

- The Buyer simultaneously receives and consumes the benefits associated with the fulfillment by the Company of the specified obligation as it is fulfilled by the Company;
- In the process of satisfying the entity's performance obligation, an asset is created or improved, over which the acquirer obtains control as the asset is created or improved; or
- The fulfillment by the Company of its duty does not result in the creation of an asset that the Company cannot use for alternative purposes, and the Company has a legally enforceable right to receive payment for the completion of part of the contract work to date.

In other cases, revenue from the sale of services is recognized at a point in time.

Estimates and assumptions

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Provision for expected credit losses of trade receivables

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead, at each reporting date, recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company used a provision matrix to calculate ECLs, based on its experience of credit losses, adjusted for forward-looking factors specific to the debtors and the environment.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions (continued)

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profits will be earned against which tax losses can be offset. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized in the financial statements based on the likely dates of receipt and the amount of future taxable profits, as well as the tax planning strategy.

The management of the Company does not recognize deferred tax due to the fact that the Company is classified as an organization operating in the social sphere. According to the tax legislation of the Republic of Kazakhstan, when determining the amount of corporate income tax payable to the budget, the Company reduces the amount of calculated corporate income tax by 100% if income from those operating in the social sphere, taking into account income in the form of property received free of charge, interest on deposits , as well as the excess of the amount of the positive exchange difference over the amount of the negative exchange difference arising from such income, constitute at least 90% of the total annual income of the Company.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Useful life of property, plant and equipment

The Company assesses the remaining useful life of property, plant and equipment at least at the end of each reporting year. If expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates in accordance with *IAS 8 Accounting Policies, Changes in Estimates and Errors*. These estimates can have a significant impact on the carrying amount of property, plant and equipment and the amount of depreciation and amortization recognized in the statement of comprehensive income. The Company did not revise the useful lives of property, plant and equipment and intangible assets in the reporting period.

5. PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2022, plant and equipment were presented as follows:

	Land	Buildings and constructions (including leasehold improvements)	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Accumulated depreciation:							
As at January 01, 2021	98,443	3,167,233	1,581,758	73,772	454,534	1,201,266	**6,577,006**
Additions	–	1,450	425,705		7,567	266,871	**701,593**
Internal displacement	–	1,455,987	–	–	–	(1,455,987)	**–**
Disposals	–	–	(1,216)	(12,989)	(432)	–	**(14,637)**
As at December 31, 2021	98,443	4,624,670	2,006,247	60,783	461,669	12,150	**7,263,962**
Additions	–	–	106,526	748	10,914	36,364	**154,552**
Internal displacement	–	–	34,447	–	–	(34,447)	**–**
Disposals	–	–	(13,046)	–	(116,190)	–	**(129,236)**
As at December 31, 2022	**98,443**	**4,624,670**	**2,134,174**	**61,531**	**356,393**	**14,067**	**7,289,278**
Accumulated depreciation:							
As at January 01, 2021	–	1,063,590	1,034,625	34,644	379,442	–	**2,512,301**
Accumulated for the year	–	74,668	105,400	4,867	21,449	–	**206,384**
Depreciation on disposals	–		(999)	(12,989)	(250)	–	**(14,238)**
As at December 31, 2021	–	1,138,258	1,139,026	26,522	400,641	–	**2,704,447**
Accumulated for the year	–	95,927	150,302	4,907	22,710	–	**273,846**
Depreciation on disposals	–	–	(12,932)	–	(116,152)	–	**(129,084)**
As at December 31, 2022	–	**1,234,185**	**1,276,396**	**31,429**	**307,199**	–	**2,849,209**
Net book value:							
As at December 31, 2021	98,443	3,486,412	867,221	34,261	61,028	12,150	4,559,515
As at December 31, 2022	**98,443**	**3,390,485**	**857,778**	**30,102**	**49,194**	**14,067**	**4,440,069**

As at December 31, 2022, the cost of fully amortized property, plant and equipment amounted to 964,741 thousand tenge (December 31, 2021: 1,052,655 thousand tenge).

6. ADVANCES PAID AND OTHER ASSETS

As of December 31, 2022, advances issued are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Advances paid for the purchase of goods and services	**39,847**	115,964
Deferred expenses	**59,364**	56,897
Prepayment for other taxes	**13,488**	25,349
Other	**578**	2,212
Less: provision for expected credit losses	**(12,712)**	(2,322)
	100,565	198,100

As of December 31, 2022, advances issued are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Non-current portion	**30,839**	88,904
Current portion	**82,438**	111,518
Less: provision for expected credit losses	**(12,712)**	(2,322)
	100,565	198,100

Changes in the provision for expected credit losses in respect of advances paid are presented as follows:

In thousands of Tenge	**2022**	2021
As at January 1	**(2,322)**	(2,392)
(Accrued) / reversed	**(10,390)**	70
Written off	**–**	–
As at December 31	**(12,712)**	(2,322)

7. TRADE AND OTHER RECEIVABLES

As of December 31, 2022, trade and other receivables are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Student receivables for tuition	**61,550**	60,652
Employee receivables for tuition	**1,655**	4,727
Student receivables for accommodation	**3,027**	2,779
Other receivables	**24,012**	10,359
Less: provision for expected credit losses	**(63,176)**	(60,095)
	27,068	18,422

As of December 31 , 2022 , accounts receivable are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Non-current portion	**63,861**	63,994
Current portion	**26,383**	14,523
Less: provision for expected credit losses	**(63,176)**	(60,095)
	27,068	18,422

Changes in the provision for expected credit losses in respect of trade receivables are presented as follows:

In thousands of Tenge	**2022**	2021
As at January 1	**(60,095)**	(56,898)
(Accrued) / reversed	**(2,986)**	(3,197)
Written off	**(95)**	–
As at December 31	**(63,176)**	(60,095)

8. INVENTORIES

As of December 31, 2022, the inventories are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Materials and supplies	**159,837**	114,880
Goods	–	768
Less: provision for obsolete and slow-moving inventories	**(48,862)**	(15,892)
	110,975	99,756

Changes in the provision for obsolete and slow-moving inventories are presented as follows:

In thousands of Tenge	**2022**	2021
As at January 1	**(15,892)**	(14,951)
(Accrued) / reversed	**(32,970)**	(941)
Written off	–	–
As at December 31	**(48,862)**	(15,892)

9. OTHER FINANCIAL INVESTMENTS

In thousands of Tenge	**Maturity**	**Effective interest rate**	**Currency**	December 31, 2022
Halyk Bank of Kazakhstan JSC	March 2023	6.90%	Tenge	1,159,700
Halyk Bank of Kazakhstan JSC	September 2023	1.00%	US Dollar	3,141,612
Shinhan Bank Kazakhstan JSC	March 2023	0.50%	US Dollar	1,623,320
Shinhan Bank Kazakhstan JSC	May 2023	0.50%	US Dollar	1,569,028
Shinhan Bank Kazakhstan JSC	March 2023	7.50%	Tenge	52,304
Bank Center Credit JSC	March 2023	10.15%	Tenge	214,305
Remuneration to be received				83,316
				7,843,585

In thousands of Tenge	**Maturity**	**Effective interest rate**	**Currency**	December 31, 2021
Halyk Bank of Kazakhstan JSC	September 2023	0,70%	US Dollar	2,931,243
Shinhan Bank Kazakhstan JSC	March 2023	6,90%	Tenge	1,932,177
Shinhan Bank Kazakhstan JSC	May 2023	7,00%	Tenge	1,531,791
Shinhan Bank Kazakhstan JSC	March 2023	0,50%	US Dollar	423,384
Bank Center Credit JSC	March 2023	7,25%	Tenge	52,300
Interest receivable				110,973
				6,981,868

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Deposits on current accounts in banks	**7,760,269**	6,870,895
Interest receivable	**83,316**	110,973
	7,843,585	6,981,868

10. CASH AND CASH EQUIVALENTS

As of December 31, 2022, cash and cash equivalents are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Cash in current bank accounts	**823,717**	184,566
Cash on card accounts	**1,216**	1,260
Cash in hand	**147**	704
	825,080	186,530

As at December 31, 2022, cash and cash equivalents were presented in the following currencies:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Troy ounce of gold (XAU)	**582,191**	–
Kazakhstani Tenge (KZT)	**195,041**	61,312
US Dollars (USD)	**45,173**	125,218
Euro (EUR)	**2,525**	–
Great Britain Pounds (GBP)	**150**	–
	825,080	186,530

As at December 31, 2022, cash and cash equivalents held in bank accounts are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Halyk Bank JSC	**698,095**	65,623
BankCentrCredit JSC	**118,421**	118,706
Shinhan Bank of Kazakhstan JSC	**7,166**	196
First Heartland Jysan Bank JSC	**35**	41
	823,717	184,566

11. FINANCIAL ASSETS

On October 19, 2007, the Company entered into Agreement No. 379 with Almaty Zharyk Company JSC. In accordance with the terms of the agreement, the Company provided JSC Almaty Zharyk Company with an interest-free loan in the amount of 68,370 thousand tenge for additional electrical capacity. This amount must be repaid by Almaty Zharyk Company JSC in monthly equal installments of 285 thousand tenge, starting from November 1, 2010 to October 1, 2030.

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Accounts receivable for additional electrical power		
Long-term part	**23,359**	26,777
Current part	**3,419**	3,419
Discount	**(22,850)**	(19,965)
	3,928	10,232

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Financial assets, current portion	**3,419**	3,419
Financial assets, non-current portion	**510**	6,814
	3,929	10,233

The Company recognizes a financial asset at its fair value.

12. SHARE CAPITAL

The composition of the Company's shareholders as of December 31, 2022 is presented in *Note. 1.*

Dividends

In accordance with the legislation of the Republic of Kazakhstan, non-profit organizations do not have the right to accrual and distribute dividends.

As of December 31, 2021, the authorized share capital of the Company is as follows:

In thousands of Tenge	Number of declared shares (pcs.)	Authorized share capital	Repurchased shares in the authorized capital	Issued authorized capital
Ordinary shares with a par value of 1,000 tenge	500,750	500, 750	500,750	500,750
Ordinary shares with a par value of 432 tenge	84,250	36,396	36,396	36,396
	585,000	**537,146**	**537,146**	**537,146**

As of December 31, 2021, the authorized share capital of the Company in the context of shareholders is as follows:

In thousands of Tenge	Number of common shares	The ratio in %
State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan SI	234,012	40%
Mr. Chan Yan Bang	350,988	60%
	585,000	**100%**

13. CONTRACT LIABILITIES, CURRENT AND NON-CURRENT PORTIONS

As of December 31, 2021, the contract liabilities of the Company are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Advances received for tuition	1,686,983	1.386.275
Advances received for library	32.796	34.038
Advances received for courses	27.470	22.732
Advances received for accommodation	64.992	39.198
Other advances received	2.576	1,822
	1,814,817	**1,484,065**

As of December 31, 2022, advances received are mainly prepaid by students for educational services, for accommodation, for library services, for short-term courses, as well as by third parties-legal entities for the same services provided by students under tuition contracts. Other advances received include payments for utilities and parking spaces received for future periods.

As of December 31, 2022, contract liabilities are as follows:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Non-current portion	**138,362**	138,785
Current portion	**1,676,455**	1,345,280
	1,814,817	1,484,065

14. TRADE AND OTHER PAYABLES

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Guaranteed deposit for accommodation and library	**55,908**	50,291
Trade payables	**20,518**	12,050
Payable to employees	**41**	30
Sponsorship and other trust funds	**13,571**	48,023
Other payables	**82**	241
	90,120	110,635

Sponsorship and other trust funds include special-purpose grants received to help with student tuition fees and earmarked project funding. These funds are accounted for as current liabilities and are recognized as income as they are disbursed.

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Grants received from sponsors	**55**	**3**
Donations, sponsorship	**1,470**	**3,342**
Other funds	**12,046**	**44,678**
	13,571	**48,023**

15. ESTIMATED LIABILITIES

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Provision for unused vacations	**464,165**	380,220
	464,165	380,220

16. CURRENT TAX LIABILITIES

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Individual income tax	**32,262**	27,124
Social tax	**25,299**	21,068
Value added tax	–	2,623
Other taxes	–	2,162
	57,561	52,977

17. OBLIGATIONS FOR OTHER MANDATORY PAYMENTS

In thousands of Tenge	**December 31, 2022**	December 31, 2021
Mandatory pension contributions	**24,749**	19,600
Mandatory social contributions	**2,972**	2,150
Medical insurance	**4,963**	3,046
State duty	–	8
	32,684	24,804

18. REVENUE

For the years ended December 31, 2022 revenue was presented as follows:

In thousands of Tenge	**2022**	2021
Tuition revenue	**5,960,616**	5,197,559
Scholarships and educational grants	**(816,450)**	(657,979)
Dormitory	**215,748**	75,556
Additional courses	**62,988**	58,182
Library	**965**	590
	5,423,867	4,673,908

19. COST OF SERVICES

For the year ended 31 December 2022, cost of services as follows:

In thousands of Tenge	**2022**	2021
Salary and payroll taxes	**(2,680,748)**	(2,333,983)
Depreciation and amortization	**(221,926)**	(180,143)
Utility costs	**(112,426)**	(85,872)
Goods and materials	**(96,313)**	(78,412)
Repair and maintenance	**(67,543)**	(31,624)
Advertisement	**(40,186)**	(27,801)
Travel expenses	**(14,041)**	(9,091)
Organization of the conference	**(50,707)**	–
Communication services	**(7,849)**	(5,001)
Other	**(34,862)**	(8,958)
	(3,326,601)	(2,760,885)

20. SELLING EXPENSES

For the years ended December 31, 2022 selling expenses were presented as follows:

In thousands of Tenge	**2022**	2021
Salary and payroll taxes	**(140,761)**	(110,504)
Business travel expenses	**(24,077)**	(1,429)
Organization of social events	**(23,128)**	–
Advertising expenses	**(15,606)**	(517)
Materials	**(7,053)**	(2,010)
Student enrolment	**(5,378)**	-
Depreciation of fixed assets and intangible assets	**(1,795)**	(3,007)
Communication services	**(1,275)**	(8)
Repair and maintenance	**(586)**	(825)
Other expenses	**(10,338)**	(7,526)
	(229,997)	(125,826)

21. ADMINISTRATIVE EXPENSES

For the years ended December 31, 2022 administrative expenses were presented as follows:

In thousands of Tenge	**2022**	2021
Salary and payroll taxes	**(1,159,215)**	(852,252)
Taxes	**(82,160)**	(27,741)
Depreciation and amortization	**(54,171)**	(26,505)
Materials	**(28,781)**	(11,360)
Repair and maintenance	**(18,312)**	(6,266)
Communication services	**(10,769)**	(6,752)
Accreditation expenses	**(10,105)**	(20,386)
Travel and representation expenses	**(8,022)**	(3,214)
Consulting services	**(7,563)**	(12,718)
Bank services	**(3,395)**	(2,152)
Insurance	**(2,053)**	(3,302)
Other expenses	**(14,434)**	(7,365)
	(1,398,980)	(980,013)

22. OTHER INCOME/ (EXPENSES), NET

For the years ended December 31, 2022 administrative expenses were presented as follows:

In thousands of Tenge	**2022**	2021
Grants received	**15,288**	35,833
Operating lease income	**56,509**	39,326
Other receipts from students	**45,801**	7,570
Income from gratuitously received assets	**552**	7,380
Other	**19,714**	97,097
	137,864	187,206
Special-purpose expense	**(20,942)**	(47,129)
Expenses on the disposal of assets	**(152)**	(395)
Other	**(7,534)**	(24,246)
	(28,628)	(71,770)
	109,236	**115,436**

23. CHANGES IN PROVISIONS

For the years ended December 31, 2022 changes in provisions are presented as follows:

In thousands of Tenge	**2022**	2021
Provision for expected credit loss	**(13,369)**	**(3,222)**
provision for obsolete and slow-moving inventories	**(32,970)**	**(941)**
	(46,339)	**(4,163)**

24. FOREIGN EXCHANGE GAIN/ (LOSS), NET

For the years ended December 31, 2022 foreign exchange gain were presented as follows:

In thousands of Tenge	**2022**	2021
Foreign exchange gain/ (loss), net	212,728	79,566
	212,728	**79,566**

25. FINANCIAL INCOME

For the years ended December 31, 2022 finance income were presented as follows:

In thousands of Tenge	**2022**	2021
Interest income	**149,037**	194,402
Unwinding of discount under the contract for additional electric capacity	**(2,885)**	655
	146,152	195,057

26. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, related parties are considered to be parties, one of which has the ability to control or exercise significant influence on the financial and operational decisions of the other party, as defined in IAS 24 "Disclosure of information about related Parties". When deciding whether the parties are related, the content of the relationship between the parties is taken into account, and not only their legal form.

For the purposes of presenting these financial statements, the related parties of the Company are key management personnel and organizations in which a significant share belongs, directly or indirectly, to the key management personnel of the Company, as well as shareholders and organizations controlled by shareholders.

Transactions with related parties were conducted on terms agreed between the parties, which were not necessarily carried out according to market conditions.

Significant transactions with related parties for the year ended December 31, 2022 are presented below:

In thousands of Tenge	**December 31, 2022**	December 31, 2021
USKO International LLP (property of the spouse of the President of the Company)		
Advances paid	77	77
Advances received	(193)	(193)
	(116)	(116)
USKO Logistic International LLP (property of the spouse of the President of the Company)		
Advances received	(144)	(144)
	(144)	(144)
USKO Mebel LLP (property of the spouse of the President of the Company)		
Acquisition of fixed assets	–	(22)
	–	(22)
Ministry of Education of the Republic of Kazakhstan (is a related party of the shareholder - the State of the Republic of Kazakhstan)		
Received grants, scholarships	(1,472)	(1,446)
	(1,472)	(1,446)
Bang Educational Foundation		
Received grants, scholarships	(5,077)	(40,343)
	(5,077)	(40,343)
	(6,809)	(42,071)

Key management remuneration

The key management personnel of the Company consist of 13 people. The total remuneration for key management personnel included in expenses in the statement of comprehensive income for the year ended December 31, 2022 is 515,924 thousand Tenge (December 31, 2021: 441,275 thousand Tenge). Key personnel remuneration includes salaries and other payments in accordance with the internal regulations of the Company

27. CONTINGENT LIABILITIES

Taxation

Kazakhstan's tax laws and regulations are subject to constant changes and various interpretations. There are frequent cases of differences of opinion between local, regional and Republican tax authorities. The current system of fines and penalties for detected offenses based on the laws in force in Kazakhstan is very severe. Penalties include fines-usually in the amount of 50% of the amount of additional taxes accrued, and penalties accrued at the refinancing rate set by the National Bank of Kazakhstan, multiplied by 2.5.

As a result, the amount of penalties and penalties may be several times higher than the amount of additional taxes to be assessed. Financial periods remain open for review by the tax authorities for 3 (three) calendar years preceding the year in which the audit is conducted. Under certain circumstances, the checks may cover longer periods. Due to the uncertainty inherent in Kazakhstan's tax system, the final amount of taxes, penalties and penalties, if any, may exceed the amount currently charged as at December 31, 2022.

Management believes that, as at December 31, 2022, its interpretation of applicable law is appropriate and it is probable that the Company's tax position will be confirmed, other than as accrued in these financial statements.

Litigation

In the normal course of business, the Company may be subject to lawsuits or proceedings. Management believes that there are currently no ongoing litigation or claims that could have a material impact on the Company's results of operations or financial position.

28. FINANCIAL RISK MANAGEMENT POLICY

Categories of financial instruments

As of December 31, 2022 the Company's financial instruments were represented by the following assets and liabilities:

In thousands of Tenge	**December 31, 2022**	**December 31, 2021**
Financial assets and liabilities measured at amortized cost:		
Cash and cash equivalents	**825,080**	186,530
Other financial investments	**7,843,585**	6,981,868
Trade receivables	**27,267**	19,506
Trade payables	**(19,406)**	(12,028)
Financial assets / (liabilities), net	**8,676,526**	7,175,876

Risk management

The Company is exposed to market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes three types of risk: interest rate risk, currency risk, and other price risks, such as rental price changes risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no financial instruments at a floating interest rate and is therefore not exposed to interest rate risk.

28. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

Market risk (continued)

Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows associated with a risk exposure will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk primarily in relation to accounts payable denominated in US Dollars.

The following table summarizes the sensitivity of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) to possible changes in the exchange rate of Tenge to Euro, assuming all other parameters are held constant. Fluctuations in the exchange rates of other currencies are not considered due to their insignificance for the results of the Company's operations.

In thousands of Tenge	Currency	Increase/decrease in the exchange rate of the selected foreign currency against Tenge	Impact on pre-tax income
2022	**US Dollar**	**+20%**	**1,275,819**
		-20%	**(1,275,819)**
2021	US Dollar	+20%	695,962
		-20%	(695,962)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that may expose the Company to credit risk are represented (primarily cash and trade receivables).

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Trade receivables as at December 31, 2021 is presented by receivables from third parties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. The Company does not hold collateral as security for the existing trade receivables.

Cash and cash equivalents

Credit risk management caused by balances in bank accounts is managed by the Company's management in accordance with the Company's policy. Surplus funds are invested only in the accounts of approved counterparties and within the credit limits set for each counterparty. Credit limits established for counterparties are reviewed annually by the Company's management and may be changed during the year after approval by the management of the Company. Limits are set in order to minimize the concentration of risks and, thus, reduce financial losses arising from the potential non-payment of the counterparty. The Company's maximum exposure to credit risk by component of the statement of financial position at December 31, 2022, is represented by its book value.

28. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

Credit risk (continued)

Cash and cash equivalents (continued)

The following table shows balances of cash, deposits in commercial banks as of the reporting date using the credit ratings of «Moody's» и «Standard & Poor's» where available:

	Rating		Outstanding balance as at	
In thousands of Tenge	**2022**	2021	**December 31, 2022**	December 31, 2021
Halyk Bank of Kazakhstan JSC	BB+ (Stable)	BB+ (Stable)	**698,095**	65,624
Bank Center Credit JSC	B+ (Stable)	B+ (Stable)	**119,021**	119,305
Shinhan Bank Kazakhstan JSC	A+ (Stable)	A+ (Stable)	**7,781**	856
First Heartland Jysan Bank JSC	B1 (Stable)	B1 (Stable)	**36**	41
			824,933	185,826

Liquidity risk

The company exercises control over cash shortage risk using the current liquidity planning tool. The Company's goal is to maintain a balance between continuity of financing and flexibility through the use of bank and non-bank loans. In accordance with the policy of the Company, no more than 25% of the debt should be repaid within the next 12 months. The company analyzed the concentration of risk in relation to refinancing its debt and concluded that it is low. The company has access to sufficient sources of financing, and the maturity of debts payable within 12 months, by agreement with current creditors, can be postponed to later dates.

The following table provides information on the maturity of the Company's financial liabilities as of December 31, 2022, based on contractual undiscounted payments:

In thousands of Tenge	Due on demand	Less than 3 months	3-12 months	1-5 years	Total
December 31, 2022					
Trade payables	–	(19,406)	–	–	**(19,406)**
	–	(19,406)	–	–	**(19,406)**
December 31, 2021					
Trade payables	–	(12,028)	–	–	(12,028)
	–	(12,028)	–	–	(12,028)

Fair value of financial instruments

The Company uses the following hierarchy to determine fair value and disclose information about it in the context of valuation models:

- 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

28. FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

Fair value of financial instruments (continued)

The table below shows the hierarchy of the Company's assets and liabilities at fair value:

	December 31, 2022			
	Carrying	**Fair value measurement using**		
In thousands of Tenge	**value**	**Level 1**	**Level 2**	**Level 3**
Assets and liabilities for which fair values are disclosed:				
Cash and cash equivalents	**825,080**	–	**825,080**	–
Other financial investments	**7,843,585**	–	**7,843,585**	–
Trade receivables	**27,267**	–	**27,267**	–
Trade payables	**(19,406)**	–	**(19,406)**	–
	8,676,526	–	**8,676,526**	–

	December 31, 2021			
	Carrying	**Fair value measurement using**		
In thousands of Tenge	**value**	**Level 1**	**Level 2**	**Level 3**
Assets and liabilities for which fair values are disclosed:				
Cash and cash equivalents	186,530	–	186,530	–
Other financial investments	6,981,868	–	6,981,868	–
Trade receivables	19,506	–	19,506	–
Trade payables	(12,028)	–	(12,028)	–
	7,175,876	–	7,175,876	–

Capital management

For capital management purposes, capital includes share capital and accumulated loss. The main goal of the Company in relation to capital management is to maximize the cost of capital. The Company manages the capital structure and changes it in accordance with changes in economic conditions and requirements of the contractual terms in order to ensure the continuation of the going concern of the Company.

The goals, policies and procedures for managing capital have not changed during the year ended December 31, 2022.

29. SUBSEQUENT EVENTS

The Company's management believes that there have been no events since the reporting date that would have a material effect on these financial statements of the Company.