

**«Microfinance Organization «UNICREDO» LIMITED
LIABILITY PARTNERSHIP**

Financial statements

For the year ended December 31, 2021

With Independent Auditor's Report

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«Microfinance Organization «UNICREDO» LLP

MANAGEMENT CONFIRMATION OF RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The following statement, which should be read in conjunction with the description of the auditors' responsibilities contained in the presented independent auditors' report, is intended to delineate the responsibilities of independent auditors and management with respect to the financial statements of «Microfinance Organization «UNICREDO» LLP and (hereinafter referred to as the "Company").

Management is responsible for preparing financial statements that fairly reflect the financial position of the Company on December 31, 2021 and the results of operations, change in equity and cash flow for year ended on the specified date, in accordance with International Financial Reporting Standards (hereinafter – "IFRS").

The management in preparing the financial statements is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- applying reasonable estimates and calculations;
- complying with IFRS requirements;
- 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:

- development, implementation and maintenance of an effective and reliable system of internal control of the Company;
- maintaining an accounting system that allows at any time to prepare information on the Company's financial position with a reasonable degree of accuracy and to ensure that the financial statements comply with IFRS;
- maintaining accounting records in accordance with the legislation of the Republic of Kazakhstan;
- taking measures within its competence to ensure the safety of the Company's assets;
- detection and prevention of fraud, errors and other abuse.

Management reasonably anticipates that the Company will continue to operate for the foreseeable future. The financial statements of the Company have therefore been prepared on a going concern basis.

The financial statements for the year ended December 31, 2021 were approved for issuance by Company management on July 28, 2022.

Kan Yu.V.
General Director

July 28, 2022



Zhubatyrova A. S.
Chief Accountant

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INDEPENDENT AUDITOR’S REPORT

To the Members and Management of Innovation Safety Centre LLP

Qualified opinion

We have audited the financial statements of «Microfinance Organization «UNICREDO» LLP (hereinafter referred to as the Company), which consists of statement of financial position on December 31, 2021, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the circumstances described in the Basis for qualified opinion section of our report, the accompanying financial statements represent fairly, in all material respects, the financial position of the Company on December 31, 2021, as well as its financial results and cash flows for the year ended at that date in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities in accordance with these standards are described further 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 Code of Ethics of Professional Accountants of the Council on International Ethics Standards for Accountants (CIESA Code), and we have fulfilled other ethical obligations in accordance with the CIESA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to warrant the expression of our opinion.

Key audit issues

Key audit issues are those issues that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These issues were considered in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these issues.

Our description of how the issue was addressed in our audit is provided in this context with respect to the issues below. We have complied with the obligations described in the “Auditor’s Responsibilities for the Audit of the Financial statements” of our report, including in relation to this issue. Accordingly, the audit included performing procedures designed in response to the assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including those performed in considering these issues, serve as the basis for our audit opinion in the accompanying financial statements.

Key issues	How the relevant key issue was addressed in our audit
<p>Assessment of provisions for expected credit losses on other receivables, cash, carried out by the Company in accordance with IFRS 9 «Financial Instruments».</p> <p>The Company has assessed reserves for expected credit losses. Key areas of judgment included:</p> <ul style="list-style-type: none"> – distribution of other receivables by maturity; – accounting interpretations and modeling assumptions used to assess key risk parameters – probability, losses in default and the amount of risk on them; – completeness and accuracy of the data used to calculate expected credit losses; – accuracy and sufficiency of disclosures in financial statements. 	<p>When assessing provisions for expected credit losses, we, among other things, performed the following audit procedures:</p> <ul style="list-style-type: none"> – we evaluated the methodologies and models for calculating reserves for expected credit losses developed by the Company to assess their compliance with the requirements of IFRS 9. We conducted procedures to determine default parameters, factors to determine a «significant increase in credit risk»; – on a selective basis, we conducted an individual assessment of reserves for expected credit losses; – we have assessed the sufficiency and appropriateness of the disclosures in accordance with accounting standards.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for such internal control as management determines is necessary to prepare 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, for disclosing, as appropriate, information related to going concern, and for preparing statements based on the assumption of going concern, unless management intends to liquidate the Company, terminate its operations or when it does not have any other real alternative, other than liquidation or termination of activity.

The persons responsible for corporate governance are responsible for overseeing the preparation of the Company's financial statements.

Responsibility of the Auditor

Our goal is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance represents a high degree of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always reveal material misstatement, if any. Misstatements may be the result of fraud or error and are considered material if it can reasonably be assumed that, individually or collectively, it may affect the economic decisions of users based on these financial statements.

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

- we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; develop and conduct audit procedures in response to these risks; We obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting material misstatement as a result of fraud is higher than the risk of not detecting material misstatement as a result of an error, as fraud may include collusion, forgery, willful omission, misrepresentation of information, or bypassing internal controls;
- we obtain an understanding of the internal control system that is 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 system;
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- we conclude on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether there is a material uncertainty in relation to events or conditions that could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we should draw attention in our auditor's report to the corresponding disclosures in the financial statements or, if such disclosures are inappropriate,

modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our audit report. However, future events or conditions may cause the Company to cease its ability to continue as a going concern;

- we evaluate the presentation of the financial statements, their structure and content, including disclosures, and whether the financial statements and the underlying transactions and events are presented in a manner that ensures their fair presentation.

We carry out information interaction with persons responsible for corporate governance, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify during the audit process.

We also assert that we have complied with all relevant ethical requirements regarding independence, and we have discussed all relevant issues.



Slambekov A.S.
Auditor

The qualification certificate of the auditor
No. MF-0001037 dated from February 20, 2020

July 28, 2022

Almaty



Mukhametzhanova Z.T.
Managing partner
Independent Auditing Company "Concord" LLP

State license to engage in auditing activities, series
MFY-2 No. 0000084, issued by the Ministry of
Finance of the Republic of Kazakhstan dated from
March 5, 2012

«Microfinance Organization «UNICREDO» LLP

STATEMENT OF FINANCIAL POSITION ON DECEMBER 31, 2021

(in thousands of Kazakhstani tenge)

	Note	December 31, 2021	December 31, 2020
ASSETS			
Cash	4	274 598	85 737
Loans issued	5	170 998	-
Reverse RP Operations	6	392 524	-
Other accounts receivable	7	6 884	12 274
Other assets	8	4 310	-
Deferred tax assets	18	54	-
Property, plant and equipment and intangible assets		51	-
Total assets		849 419	98 011
LIABILITIES			
Corporate income tax liability		-	3 926
Current tax liabilities		50	-
Obligations for other mandatory payments		108	-
Short-term accounts payable	9	9 113	-
Estimated liabilities		310	-
Debt on issued bonds	10	690 258	-
Other short-term liabilities	11	-	33 391
Total liabilities		699 839	37 317
EQUITY			
Authorized capital	12	70 000	50 000
Additional paid-in capital	12	54 750	21 359
Retained earnings/ (accumulated loss)		24 830	(10 665)
Total equity		149 580	60 694
Total liabilities and equity		849 419	98 011

Kan Yu.V.
General Director

July 28, 2022



Zhubatyrova A. S.
Chief Accountant

The statement of financial position should be read in conjunction with the notes to the financial statements presented on pages 11-29.



«Microfinance Organization «UNICREDO» LLP

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kazakhstani tenge)

	Note	2021	2020
Interest income	13	69 742	484
Interest expense	14	(6 344)	-
Total operating profit		63 398	484
Financial income	15	4 667	-
Administrative expenses	16	(37 556)	(1 585)
Other income / (expenses), net	17	4 932	(5 312)
Profit/ (loss) before taxation		35 441	(6 413)
Savings / (expenses) on corporate income tax	18	54	(4 004)
Net profit/ (loss) for the year		35 495	(10 417)
Other comprehensive income		-	-
Total comprehensive income/ (loss) for the year		35 495	(10 417)

Kan Yu.V.
General Director

July 28, 2022



Zhubatyrova A. S.
Chief Accountant

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements presented on pages 11-29.



«Microfinance Organization «UNICREDO» LLP

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kazakhstani tenge)

	Authorized capital	Additional paid-in capital	Retained earnings / (loss)	Total equity
As of December 31, 2019	30 000	-	(248)	29 752
Total loss for the year	-	-	(10 417)	(10 417)
Owners' contributions	20 000	21 359	-	41 359
As of December 31, 2020	50 000	21 359	(10 665)	60 694
Total income for the year	-	-	35 495	35 495
Owners' contributions	20 000	33 391	-	53 391
As of December 31, 2021	70 000	54 750	24 830	149 580

Kan Yu.V.
General Director

July 28, 2022



Zhubatyrova A. S.
Chief Accountant

The statement of changes in equity should be read in conjunction with the notes to the financial statements presented on pages 11-29.



«Microfinance Organization «UNICREDO» LLP

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kazakhstani tenge)

	2021	2020
I. Cash flow from operating activities		
1. Receipt of funds, total, including:	45 300	40 310
repayment of the principal debt on loans	22 502	-
issued remuneration on loans	6 047	-
issued penalties (penalties) on loans	710	-
issued accumulated coupon on bonds issued	38	-
receipt on loans transferred under contracts of assignment of rights of claim	10 230	-
Reverse RP operations	4 385	-
interest on deposits	-	407
other receipts	1 388	39 903
2. Cash outflow, total, including:	(167 162)	(4 919)
loans issued to individuals	(131 318)	-
payments under contracts of assignment of claims	-	-
payments to suppliers for goods and services	(29 028)	(532)
salary payments	(2 020)	(208)
payment of remuneration on loans	-	-
corporate income tax	(3 926)	-
taxes and other payments to the budget	(842)	(78)
return of financial assistance	-	(200)
other payments	(28)	(3 901)
3. Net cash from operating activities	(121 862)	35 391
II. Cash flow from investing activities		
1. Receipt of funds, total, including	-	-
2. Cash outflow, total, including:	(392 243)	-
purchase under reverse RP agreements	(392 243)	-
3. Net cash from investing activities	(392 243)	-
III. Cash flow from financing activities		
1. Receipt of funds, total, including	700 749	20 000
contributions to the authorized capital	20 000	20 000
placement of issued bonds	680 749	-
2. Cash outflow, total	-	-
3. Net cash from financing activities	700 749	20 000
Net change in cash	186 644	55 391
Effect of exchange rates of currencies to tenge	2 217	300
Cash at the beginning of the reporting year	85 737	30 046
Cash at the end of the reporting year	274 598	85 737

Kan Yu. X.
General Director

July 28, 2022



Zhubatyrova A. S.
Chief Accountant

The statement of cash flows should be read in conjunction with the notes to the financial statements presented on pages 11-29.



(in thousands of Kazakhstani tenge)

1. General information

«Microfinance Organization «UNICREDO» LLP (hereinafter referred to as the "Company") was registered in the Republic of Kazakhstan on November 11, 2019.

The Company is included in the register of microfinance organizations based on license No. 02.21.0069.M. dated April 09, 2021, issued by the Office of Regional Representatives in Almaty of the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Markets.

The authorized capital of the Company is 70 000 thousand tenge as of December 31, 2021 (2020: 50 000 thousand tenge).

Information about the participants as of:

	December 31, 2021		December 31, 2020	
	amount, thousand tenge	participation share, %	amount, thousand tenge	participation share, %
Abdrasulova Sh.B.	63 000	90%	45 000	90%
Kan Yu.V.	7 000	10%	5 000	10%
	70 000	100%	50 000	100%

The main activity of the Company is the provision of micro-loans to individuals without collateral.

Legal and actual address: The Republic of Kazakhstan, 050010, Almaty, Bostandyksky district, Zhandosova str., 2, office 218.

The company does not have branches and representative offices in the regions and outside the Republic of Kazakhstan.

As of December 31, 2021 and 2020, the number of employees of the Company was 2 people and 1 person, respectively.

Basis for the preparation of the financial statements

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS").

The Company keeps records in Kazakhstani monetary units (tenge), in accordance with the current legislation of the Republic of Kazakhstan. These financial statements are presented in thousands of tenge.

These financial statements have been prepared in accordance with the principle of valuation at cost.

When preparing the financial statements, two fundamental assumptions were used – the use of the accrual method and the principle of business continuity.

Financial statements compiled on the accrual basis inform users not only about past transactions related to the payment and receipt of funds, but also about obligations to pay money in the future, and about resources representing funds that will be received in the future.

Going concern principle

The accompanying financial statements have been prepared based on the going concern assumption, which implies the sale of assets and the repayment of liabilities in the ordinary course of business. The Company's ability to realize its assets and conduct operations in the future may be significantly affected by current and future economic conditions in Kazakhstan.

Thus, it is assumed that the Company has no intention or need to liquidate or significantly reduce the scale of its activities.



(in thousands of Kazakhstani tenge)

2. Changes in accounting policies and disclosure principles

New standards, clarifications and amendments to existing standards and clarifications, first applied by the Company.

The accounting policies adopted in the preparation of these financial statements are consistent with the accounting policies applied in the previous reporting year, with the exception of the adoption of the new standards listed below, which entered into force on January 1, 2021.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 «Interest Rate Benchmark Reform – Phase 2»

The amendments provide temporary exemptions that apply to address the financial reporting implications when the Interbank Offered Rate (IBOR) is replaced by an alternative substantially risk-free interest rate.

The amendment provides as follows:

- the practical expedient that the contract or cash flow changes directly required by the reform should be treated as floating rate changes equivalent to a change in the market interest rate;
- permits changes required by the IBOR reform to be made to the definition of a hedging relationship and hedge documentation without terminating the hedging relationship;
- entities are granted a temporary exemption from the requirement to comply with separately identifiable components when a risk-free rate instrument is designated at the discretion of the entity as the risk component of the hedging relationship.

These amendments did not have any impact on the Company's financial statements. The Company intends to apply the practical expedients in future periods as appropriate.

Amendments to IFRS 16 «Covid-19-Related Rent Concessions beyond 30 June 2021»

The IASB issued an amendment to IFRS 16 Lease – Covid-19-Related Rent Concessions on May 28, 2020. The amendment provides an exemption for lessees from the requirements in IFRS 16 to account for lease modifications for lease assignments that arise as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to analyze whether a lease concession granted by a lessor in connection with a COVID-19 pandemic is a lease modification. A lessee that makes this election must account for any lease modification resulting from a COVID-19 pandemic concession similar to how the modification would be accounted for under IFRS 16 if it were not a lease modification.

The amendment was intended to apply until June 30, 2021, but due to the continuing impact of the COVID-19 pandemic on March 31, 2021, the IASB decided to extend the practical expedient until June 30, 2022.

The new amendment is effective for annual periods beginning on or after April 1, 2021. The Company does not have any lease concessions granted related to the COVID-19 pandemic but plans to apply the practical expedients during the allowable period, if necessary.

Standards that have been issued but have not yet entered into force

The following new standards, amendments to standards and interpretations are not yet effective on December 31, 2021 and have not been applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Company's operations. The Company plans to adopt these standards, amendments, and interpretations when they become effective.

IFRS 17 «Insurance Contracts»

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new comprehensive financial reporting standard for insurance contracts that addresses recognition and measurement, presentation, and disclosure. When IFRS 17 enters into force, it will replace IFRS 4 Insurance Contracts, which was issued in 2005.

IFRS 17 is effective for accounting periods beginning on or after January 1, 2023, and comparative information is required. The Standard is not applicable to the Company's activities.



Amendments to IAS 1 «Classification of liabilities as current or non-current»

In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 that clarify the requirements for classifying obligations as current or non-current. The amendments clarify the following:

- that is meant by the right to defer settlement of liabilities;
- the right to defer settlement of liabilities must exist at the end of the reporting period;
- the classification of liabilities is not affected by the likelihood that the entity will exercise its right to defer settlement of the liability;
- the terms of the liability will not affect its classification only if the derivative embedded in the convertible liability is itself an equity instrument.

These amendments are effective for annual periods beginning on or after January 1, 2023, and are applied retrospectively. The management of the Company does not anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

Amendments to IFRS 3 Updating a Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 *Business Combinations – Reference to the Conceptual Framework*. The purpose of these amendments is to replace references to the 1989 Conceptual Framework for the Presentation of Financial Statements with references to the March 2018 Conceptual Framework for the Presentation of Financial Statements, without making significant changes to the requirements of the standard. The Board also added an exception to the recognition principle in IFRS 3 to avoid potential "Day 2" gains or losses, for liabilities and contingencies that would be within the scope of IAS 37 or IFRIC 21 *Levies*, if they arose in individual transactions. At the same time, the Board decided to clarify the existing requirements in IFRS 3 for contingent assets that would not be affected by the replacement of references to the *Concept of Preparation and Presentation of Financial Statements*. The amendments are effective for annual periods beginning on or after January 1, 2022 and are applied prospectively. These amendments are not expected to have a material impact on the Company.

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued Property, Plant and Equipment: Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of items produced in bringing the item to its location and condition that are required for its operation in accordance with management's intentions. Instead, an entity recognizes proceeds from the sale of such items and the cost of producing those items in profit or loss. These amendments are effective for annual reporting periods beginning on or after January 1, 2022 and should be applied retrospectively to those items of property, plant, and equipment that became available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies these amendments. The amendments are not expected to have any material impact on the Company.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 that clarify what costs an entity should consider when assessing whether a contract is onerous or loss-making. The amendments provide for the application of the "costs directly attributable to the contract" approach. Costs directly attributable to a contract to provide goods or services include both incremental costs of performing that contract and allocated costs directly related to performing the contract. General and administrative costs are not directly related to the contract and therefore are excluded unless they are explicitly reimbursable by the counterparty to the contract. These amendments are effective for annual periods beginning on or after January 1, 2022. These amendments are not expected to have a material impact on the Company.

Amendment to IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

As part of the annual improvement process for IFRS, period 2018-2020, the IASB issued an amendment to IFRS 9. The amendment clarifies the amounts of fees that an entity considers when assessing whether the terms of a new or modified financial liability are substantially different from those of the original financial liability. Such amounts include only those fees paid or received between a designated lender and the borrower, including fees paid or received by the lender or the borrower on behalf of the other party.



(in thousands of Kazakhstani tenge)

An entity must apply the amendment for financial liabilities that are modified or replaced at or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after January 1, 2022. Early application is permitted. The Company does not expect the amendment to have any material effect on its financial statements.

3. Significant accounting policies

Cash

Cash includes cash on hand, on current accounts in bank, cash on deposit bank accounts for less than three months, cash on special accounts, cash in transit.

Foreign currency transactions

Transactions in foreign currency are translated into tenge at the exchange rates on the dates of these transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated into tenge at the official exchange rate in effect at that reporting date. Exchange differences arising on translation are recognized in the statement of profit or loss and other comprehensive income. Non-monetary items that are valued based on historical value in a foreign currency are recalculated at the rates in effect at the date of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated at the exchange rates in effect at the date when the fair value is determined.

The official exchange rates in the Republic of Kazakhstan are the weighted average exchange rates established on the Kazakhstan Stock Exchange (KSE).

The following official exchange rates were used by the Company in the preparation of these financial statements:

In tenge	December 31, 2021	December 31, 2020
US Dollar	431,8	420,91
Swiss Franc	473,15	477,6
Russian Ruble	5,76	5,62

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual relationship of the related financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) increase or decrease the fair value of financial assets or financial liabilities on initial recognition, respectively.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are charged directly to profit or loss.

Subsequent classification

Financial assets

Financial assets are classified as financial assets at amortized cost (debt instruments) or as financial assets at fair value for the purposes of subsequent classification.

Financial assets measured at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if the following conditions are met:

- the financial asset is held within a business model whose purpose is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets that are measured at amortized cost are subsequently measured using the effective interest method and impairment requirements are applied. A profit or loss is recognized in profit or loss when it is derecognized, modified, or impaired.



(in thousands of Kazakhstani tenge)

The Company classifies trade and other receivables and amounts due from credit institutions (bank deposits, cash and cash equivalents) to the category of financial assets measured at amortized cost.

Financial assets at fair value through profit or loss

The category of financial assets at fair value through profit or loss includes financial assets held for sale classified at the Company's option at initial recognition as at fair value through profit or loss. Financial assets whose cash flows do not represent solely payments of principal and interest are classified and measured at fair value through profit or loss irrespective of the business model used.

The Company does not hold any financial assets in this category on the reporting date.

Financial assets measured at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to collect the contractual cash flows, and the sale of the financial assets; 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 outstanding.

The Company has no financial assets in this category on the reporting date.

Impairment of financial assets

Impairment losses on loans issued are calculated based on the model of forecasted expected credit losses (ECL). The provision for ECL is estimated at the amount of credit losses that are expected to occur over the life of the asset (expected credit losses for the entire term) if the credit risk for this financial asset has increased significantly since the initial recognition.

The Company groups the loans granted as follows:

To determine the quality of the portfolio, a statistical method is used to assess the level of problem of the Company's loan portfolio:

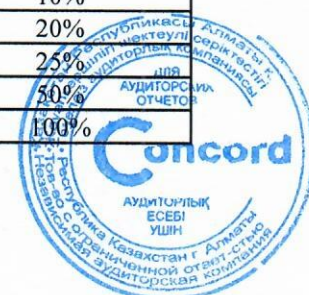
Portfolio quality	Problem level	Score
Stable	0%	0
Satisfactory	from 0% to 30%	1
Unsatisfactory	over 30% to 50%	2
Unstable	over 50% to 70%	3
Critical	over 70%	4

The essence of the statistical method of assessing the level of problems is to calculate historical losses – information about the facts about overdue or written-off microcredits for a certain period.

The level of problem is the share of the portfolio of microcredits with outstanding obligations to repay payments (over 30 days overdue) in the total portfolio of microcredits of the Organization. The average value of the problem level for the year is considered.

The points for the quality of collateral and the quality of the portfolio are summed up, and depending on the score received, % of provisions are assigned:

Total score	Stage 1	Stage 2		Stage 3
	Days overdue			
	up to 30 days	from 31 to 60 days	from 61 to 90 days	90 or more
	% провизий			
0	0%	1%	3%	5%
1	0%	6%	8%	10%
2	0%	11%	16%	20%
3	0%	21%	23%	25%
4	0%	26%	38%	50%
5	0%	51%	75%	100%



(in thousands of Kazakhstani tenge)

The assessment of expected credit losses (ECL) is carried out on a group basis. The amount of expected credit losses under the agreement is estimated based on the probability of default (PD), the Magnitude, exposure to default risk (EAD), as well as the level of losses in default (LGD).

The probability of default (PD) is a calculated estimate of the probability of default over a given time interval. Default can only occur at a certain point in time during the period under review if the asset has not been derecognized and it is still part of the portfolio.

The amount at risk of default (EAD) is an estimated estimate of the amount at risk of default on any date in the future, considering the expected changes in this amount after the reporting date, including payments of the principal amount of debt and interest stipulated by the contract or otherwise, repayment of loans issued, and interest accrued as a result of late payments.

The default Loss Rate (LGD) is a calculated estimate of losses incurred in the event of default at a certain point in time. LGD is calculated as the difference between the contractual cash flows and the cash flows that the lender expects to receive. This indicator is usually expressed as a percentage in relation to EAD.

Derecognition

Derecognition of financial assets is performed when the Company loses control over the rights under the agreement for this asset. This situation occurs when the rights are realized, transferred, or become invalid. Derecognition of financial liabilities is made in the event of its redemption.

Financial liabilities

The Company classifies financial liabilities as other financial liabilities. Other financial liabilities include trade and other payables and lease payables.

Trade payables and other current cash liabilities are recognized at cost, which is the fair value of the amount to be paid in the future for goods or services received, whether or not billed to the Company.

Subsequent measurement depends on their classification. Debt securities, loans received, trade and other payables after initial recognition are measured at amortized cost using the effective interest method.

Income and expense are recognized in profit or loss when the liabilities are derecognized and as they are amortized using the effective interest rate method.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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

Property, plant and equipment

The initial cost of property, plant and equipment when purchased for a fee is determined by the sum of the actual acquisition costs or the cost of production, and other costs directly related to the acquisition of fixed assets and the costs of bringing them to a state in which they are suitable for use.

After initial recognition as an asset, an item of property, plant and equipment should be accounted for at its original cost (cost) less accumulated depreciation and accumulated impairment losses. In the book value of a unit of fixed assets, the Company includes expenses for improvements and repairs that extend the useful life of assets or improve their ability to generate income. Repair and maintenance expenses that do not meet this capitalization criterion are recognized in the statement of profit or loss and other comprehensive income as expenses as they occur.

Depreciation

The cost of property, plant and equipment is systematically written off for expenses during their useful life through depreciation charges.



(in thousands of Kazakhstani tenge)

Depreciation charges for each period are recognized as an expense. Depreciation is calculated on a straight-line basis for the following useful lives of assets:

	Useful life (years)
Buildings and structures	20-50
Equipment	15-20
Vehicles	10-30
Other property, plant and equipment:	
- Office equipment	5-15
- Furniture and accessories	10-20
- Improvement of leased property	5-10
- Improvement of land plots	5-10

For fully amortized property, plant and equipment, depreciation is discontinued from the first day of the month following the last month in which the amortized cost of these funds was fully transferred to the cost of products (works, services) and is subject to write-off from the balance sheet. If an object of property, plant and equipment can perform its functions fully amortized, then its value and useful life are not reviewed.

Profit or loss from the sale or disposal of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets at the time of recognition are carried at cost, which includes the purchase price and all costs directly related to the preparation of the asset for its intended use.

After initial recognition, intangible assets are carried at cost less accumulated depreciation and accumulated impairment loss. The value of intangible assets is systematically written off for expenses over their useful life through depreciation charges on a straight-line basis.

Depreciation charges for each period are recognized as an expense. Depreciation rates are established based on the useful life of intangible assets. The useful life (useful life) of an intangible asset is determined by the expert commission and the Company's management, considering the future economic benefits that the company expects to receive from the use of the intangible asset.

As of each date of preparation of the financial statements, the Company assesses the presence of any signs indicating a possible impairment of intangible assets. If any such indication is detected, the Company estimates the recoverable amount of assets. The useful life of an asset is reviewed by the intangible assets Accounting Commission at each date of the financial statements. If the expected useful life of an asset differs from previous estimates, then the depreciation period of the current and future periods changes.

Taxation

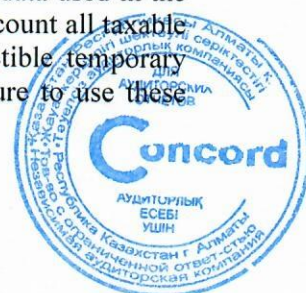
Corporate income tax is the sum of current and deferred income tax.

Current income tax

The amount of current income tax payable is determined based on the amount of taxable profit. Taxable profit differs from the profit reflected in the profit or loss statement due to items of income or expenses that are taxable or deductible for tax purposes in other reporting periods and does not include items that are not taxable or deductible for tax purposes. The Company's current income tax liabilities are calculated using the tax rates enacted by law before the end of the reporting period.

Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities recorded in the financial statements and the relevant tax accounting data used in the calculation of taxable profit. Deferred tax liabilities, as a rule, are reflected taking into account all taxable temporary differences. Deferred tax assets are recorded taking into account all deductible temporary differences, provided that it is highly probable that taxable profit will arise in the future to use these temporary differences.



(in thousands of Kazakhstani tenge)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced if the probability of future taxable profit sufficient for the full or partial use of these assets is no longer high.

Deferred income tax assets and liabilities are calculated using tax rates and tax legislation that have been approved or practically approved by legislation at the reporting date and are expected to be effective during the period of realization of the tax asset or repayment of the liability, respectively. The assessment of deferred tax assets and liabilities reflects the tax consequences of the Company's expectations, as at the reporting date, regarding the methods of recovery or repayment of the carrying amount of assets and liabilities.

Other taxes and deductions

In addition to income tax in the Republic of Kazakhstan, there are taxes and payments related to the operating activities of the Company. These taxes are included in the item of administrative expenses in the statement of profit or loss and other comprehensive income of the Company for the reporting year.

Authorized capital

The authorized capital consists of participation shares less the debt of participants on contributions to the authorized capital. The authorized capital is recognized at the initial cost of funds received or paid.

Recognition of income and expenses

Income and expenses are recorded by the Company in accordance with the accrual method.

Income is defined as an increase in economic benefits during the reporting period in the form of inflows or an increase in assets or a decrease in liabilities, resulting in an increase in capital not related to contributions from capital participants. Income includes both income from core business) and other income. Revenue is recognized at the time of transfer of risks and benefits associated with ownership, and coincides with the transfer of legal ownership or transfer of ownership to the buyer.

Expenses are recognized in the statement of profit or loss and other comprehensive income if there is a decrease in future economic benefits associated with a decrease in an asset or an increase in a liability that can be reliably measured. This means that the recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, payroll accrual).

Recognition of income from borrowed transactions

Interest income is recorded on an accrual basis and calculated using the effective interest rate method. The effective interest rate method is a method that consists in calculating the amortized cost of a financial asset or financial liability (or a group of financial assets, a group of financial liabilities), as well as attributing interest income or interest expense to the corresponding period.

The effective interest rate is the interest rate by which expected future cash payments or receipts are adjusted to the net present value of a financial asset or financial liability.

If a financial asset or a group of similar financial assets has been written off (partially written off) as a result of impairment, interest income is determined taking into account the interest rate used to discount future cash flows for the purpose of calculating impairment losses.

Recognition of commission income and expenses

Commissions for micro-loans issued are reflected as an adjustment to the effective interest rate on micro-loans.

If there is a possibility that, as a result of the obligation to provide a micro-loan, a micro-loan agreement will be concluded, the commission is included in the amount of the loan debt and amortised over the entire term of the agreement, using the effective interest rate method. Other fees are included in the statement of profit or loss and other comprehensive income as the Company provides services.

The Company's revenues are:

- income from core activities (interest income on borrowed operations);
- income from non-core activities (income from disposal of assets, etc.);
- other income.



(in thousands of Kazakhstani tenge)

Expenses include the following types of expenses:

- interest expense on borrowed funds;
- administrative expenses;
- other expenses.

Staff costs and related deductions

Short-term employee benefits include items such as:

- salary for the work actually performed, calculated on the basis of official salaries;
- o payment of regular and additional vacations, compensation for unused vacation;
- additional payments in case of temporary disability in the amounts provided for by the current legislation;
- wages at the main place of workers during their training with separation from work in the system of advanced training and retraining of personnel.

The Company pays salaries to employees in accordance with established wage systems and makes mandatory contributions to the Unified Accumulative Pension Fund on behalf of its employees in accordance with the pension legislation of the Republic of Kazakhstan.

The Company does not have any agreements on pension provision, in addition to the state pension program of the Republic of Kazakhstan, which requires the employer to make deductions in the amount of 10% of the total salary.

The Company makes deductions of social tax and social deductions, compulsory social health insurance for its employees to the relevant authorities of the Republic of Kazakhstan.

Settlements and transactions with related parties

Parties are considered to be related if one of them has the ability to control or exercise significant influence over the operating and financial decisions of the other party, as defined in IAS 24 «Related Party Disclosures» in these financial statements. The content of the relationship between the parties is taken into account, and not just their legal form when deciding whether the parties are related.

Events after the reporting date

Events after the reporting period are events, both favorable and unfavorable, that occur between the reporting date and the date the financial statements are approved, and which have or may have an impact on the financial condition, cash flow or results of operations of the Company.

Provisions, contingent liabilities and contingent assets

Provisions are liabilities of uncertain timing or amount, they are recognized when:

- as a result of a past event, the Group has an existing obligation (legal or imputed);
- it is probable that some outflow of resources will be required to meet the obligation;
- the amount of the obligation can be reliably estimated.

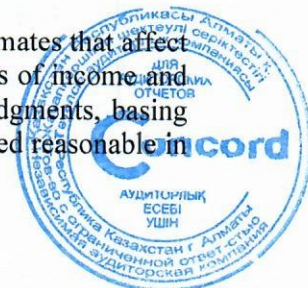
Contingent liability is a present obligation that arises from past events but is not recognized because it is not probable that the need for an outflow of resources to fulfill the obligation will arise or the amount of the obligation cannot be estimated reliably.

Contingent liabilities are not recognized, but disclosed, unless the possibility of an outflow of resources is remote.

Contingent assets are not recognized in the financial statements but disclosed when it is probable that economic benefits will flow.

Areas of significant management estimates and sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make estimates that affect the reported amounts of assets and liabilities at the reporting date, as well as the amounts of income and expenses during the period ended. Management regularly evaluates its estimates and judgments, basing estimates and judgments on historical experience and on various factors that are considered reasonable in the circumstances.



(in thousands of Kazakhstani tenge)

The following estimates and judgments are considered important for the presentation of the financial position of the Company.

Impairment of financial assets

The Company recognizes provisions for expected credit losses on loans issued, trade and other receivables.

When assessing expected credit losses in respect of loans issued, trade and other receivables, the Company applies a simplified approach provided for by the standard and calculates expected credit losses for the entire life of these financial assets. The Company used a model of estimated reserves, which are prepared considering the past experience of credit losses in an affiliated company, adjusted for factors specific to the borrower and general economic conditions.

With respect to funds in credit institutions (cash and cash equivalents, bank deposits) The Company calculated the expected credit losses for a 12-month period.

12-month expected credit losses are a part of the expected credit losses for the entire term, representing the expected credit losses that arise because of defaults on a financial instrument that are possible within 12 months from the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since initial recognition, the estimated allowance for expected credit losses is estimated at an amount equal to the expected credit losses for the entire term. The assessment of the need to recognize expected credit losses over the entire life of a financial instrument is based on a significant increase in the probability or risk of default that has occurred since the initial recognition, and not evidence of impairment of the financial asset at the reporting date or in case of actual default.

Thus, as of December 31, 2021 and 2020, provisions for expected credit losses were formed in the amount of 0 tenge and 5,061 thousand tenge, respectively (*Note 7*). Changes in the economy, industry and specific characteristics may affect the reserves recorded in these financial statements.

Taxes

There is a risk that additional tax liabilities will arise in the future with regard to the interpretation of complex tax legislation, changes in tax legislation, and the amount and timing of future taxable income. There are many transactions and settlements for which it is impossible to definitively determine the tax amounts in the normal course of business.

As a result, the Company recognizes its tax liabilities based on estimates of whether additional taxes, penalties and interest will arise. These tax liabilities are recognized if the Company believes that certain tax return items may be challenged or not fully verified by a tax audit, although the Company believes that the tax return items are adequately substantiated. The Company believes that its accrued tax liabilities are correct for all audited years and are based on an assessment of many factors, including past experience and interpretation of tax legislation.

This estimate is based on estimates and assumptions and may involve a number of complex judgments about future events. Such differences will affect tax expense in the period in which these tax liabilities were measured to the extent that the ultimate tax effect of these matters differs from the amounts presented.

Assessment of the impact of deferred income tax

At each reporting date, the Company's management determines the future impact of deferred income tax by reconciling the carrying amounts of assets and liabilities presented in the financial statements with the corresponding tax base. Deferred assets and liabilities are measured at the tax rates applicable to the period in which the assets are expected to be realized and liabilities are settled. Deferred tax assets are recognized taking into account the likelihood that there will be sufficient taxable profit in the future from which temporary differences accepted for tax purposes can be deducted. Deferred tax assets are assessed at each reporting date and reduced to the extent that it is not probable that the related tax benefits will be realized.



«Microfinance Organization «UNICREDO» LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kazakhstani tenge)

4. CASH

	December 31, 2021	December 31, 2020
Cash on hand	91 800	71 800
Cash on current bank accounts in tenge	58 090	13 847
Cash on current bank accounts in foreign currency	113 930	90
Cash on brokerage accounts in tenge	2 069	-
Funds on brokerage accounts in foreign currency	8 709	-
	274 598	85 737

The funds presented above do not contain restrictions on their use and do not act as collateral for any long-term guarantees. The Company is confident that the fair value of its cash is equal to its book value. Cash in foreign currency is denominated in Kazakhstani tenge.

5. LOANS ISSUED

The company provides micro-loans to individuals for a period of 10 to 30 days. The interest rate is from 15% to 30% for the loan term.

Interest on overdue loans is the default of borrowers on the principal amount of the debt or remuneration to be received, which exceeds 30 days.

	December 31, 2021	December 31, 2020
Short-term loans provided to customers	108 683	-
Accrued interest on loans provided to customers	14 201	-
Interest on overdue loans to customers	48 780	-
Provisions (provisions) to cover losses on financial assets measured at amortised cost	(666)	-
	170 998	-

The table below shows the breakdown of the accrued and used reserve for credit losses for the reporting period:

	2021	2020
As of January 1	-	-
Accrual of reserve	666	-
Restoration of the reserve	-	-
Write-offs	-	-
As of December 31	666	-

The tables below provide information on the amount of loans issued and their reserves for expected credit losses.

	December 31, 2021	December 31, 2020
Short-term loans to individuals	171 664	-
Provisions for expected credit losses	(666)	-
Net book value	170 998	-

Below is an analysis of the changes in gross book value and corresponding ECL for the year ended December 31, 2021:

Expected credit losses	Stage 1	Stage 2	Stage 3	Total
As of January 1, 2021	-	-	-	-
Newly created or acquired assets	132 923	-	-	132 923
Accrual of interest income	69 743	-	-	69 743
Repaid loans	(31 002)	-	-	(31 002)
Portfolio sale	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(33 995)	33 995	-	-
Transfer to Stage 3	-	-	-	-
Write-downs	-	-	-	-
As of December 31, 2021	137 669	33 995	-	171 664



«Microfinance Organization «UNICREDO» LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kazakhstani tenge)

Expected credit losses	Stage 1	Stage 2	Stage 3	Total
As of January 1, 2021	-	-	-	-
Newly created or acquired assets	(31)	(635)	-	(666)
Repaid loans	-	-	-	-
Portfolio sale	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	31	(31)	-	-
Transfer to Stage 3	-	-	-	-
Write-downs	-	-	-	-
As of December 31, 2021	-	(666)	-	(666)

6. REVERSE RP OPERATIONS

	December 31, 2021	December 31, 2020
Repurchase RP agreements	392 243	-
Accrued interest on "reverse RP" operations	281	-
	392 524	-

	December 31, 2021		December 31, 2020	
	Book value	Fair value	Book value	Fair value
Government bonds Ministry of Finance of the Republic of Kazakhstan	304 073	279 463	-	-
Shares of JSC "Bank CenterCredit"	88 170	92 243	-	-
Total repurchase RP agreements	392 243	371 706	-	-

7. OTHER ACCOUNTS RECEIVABLE

	December 31, 2021	December 31, 2020
Short-term debt of accountable persons	3 350	3 350
Accounts receivable under the contract of assignment of the right of claim	3 534	13 985
Provision for expected credit losses	-	(5 061)
	6 884	12 274

	2021	2020
As of January 1	5 061	5 061
Accrual of reserve	-	-
Restoration of the reserve	(5 061)	-
Write-offs	-	-
As of December 31	-	5 061

8. OTHER ASSETS

	December 31, 2021	December 31, 2020
Short-term advances issued	4 271	-
Deferred expenses	39	-
	4 310	-

9. SHORT-TERM ACCOUNTS PAYABLE

	December 31, 2021	December 31, 2020
Short-term accounts payable to suppliers and contractors	9 111	-
Short-term wage arrears	2	-
	9 113	-



(in thousands of Kazakhstani tenge)

10. DEBT ON ISSUED BONDS

	December 31, 2021	December 31, 2020
Accrued expenses in the form of remuneration on securities issued into circulation	5 980	-
Securities issued into circulation	690 016	-
Discount on issued securities	(5 738)	-
	690 258	-

On November 8, 2021, the Company registered the first issue of currency coupon bonds and was listed on the Kazakhstan Stock Exchange JSC. JSC "Central Securities Depository" has made state registration of the issue of non-state bonds of the Company. The issue is divided into 20,000 (twenty thousand) unsecured coupon bonds, which are assigned the international identification number (ISIN code) KZ2P00008071. The nominal value of one bond is 100 US dollars. The volume of the bond issue is 2,000,000 US dollars. The circulation period is 2 years, the interest rate is 6% per annum.

On November 1, 2021, by the decision of the Listing Commission of «Kazakhstan Stock Exchange» JSC (KASE), the Company's bonds were included in the official list of the exchange under the category «Bonds» of the sector «Debt Securities» of the alternative platform.

Below is the information on the bond issue:

Nominal issue amount	2 000 000
ISIN	KZ2P00008071
Nominal value of one bond in US dollars	100
Type of bond	Coupon
Issue currency	US Dollar
Total number	20 000
Maturity date	08.11.2023
Fixed interest rate	6,00%
Pledged assets	No
Date of initial placement	08.11.2021
Interest payment once on the last day of the month	During the first year of treatment - 2 times a year, every 6 months During the second year of treatment - 4 times a year, every 3 months
Trading platform	«Kazakhstan Stock Exchange» JSC (KASE)

Debt securities issued as of December 31, 2021 and 2020:

Type of securities	Date of registration	ISIN	Nominal issue amount (USD)	Outstanding issue amount at face value (USD)	Maturity date	December 31, 2021	December 31, 2020
Long-term currency coupon bonds	08.11.2021	KZ2P00008071	2 000 000	1 598 000	08.11.2023	690 258	-

Risk concentration

Bondholders	December 31, 2021		December 31, 2020	
	unit	%	unit	%
Individuals	9 923	62,10%	-	-
Legal entities	6 057	37,90%	-	-
Total	15 980	100%	-	-



(in thousands of Kazakhstani tenge)

11. OTHER SHORT-TERM LIABILITIES

	December 31, 2021	December 31, 2020
Obligations under the contract of assignment of the right of claim	-	33 391

12. AUTHORIZED CAPITAL

As of December 31, 2021, the amount of the declared and paid-up authorized capital of the Company is 70,000 thousand tenge (2020: 50,000 thousand tenge). No dividends were distributed in 2021 and 2020. Information on the composition of the Company's participants is presented in *Note 1*. In 2021, the obligations under the assignment of the right of claim were credited to the replenishment of additional paid-up capital in the amount of 33,391 thousand tenge (*Note 11*).

13. INTEREST INCOME

	December 31, 2021	December 31, 2020
Interest on loans	20 248	-
Remuneration for overdue loans	49 494	-
Interest on deposits	-	484
	69 742	484

14. INTEREST EXPENSE

	December 31, 2021	December 31, 2020
Remuneration on issued bonds	5 954	-
Amortization of discount on bonds	390	-
	6 344	-

15. FINANCIAL INCOME

	December 31, 2021	December 31, 2020
Remuneration for Reverse RP operations	4 667	-

16. ADMINISTRATIVE EXPENSES

	December 31, 2021	December 31, 2020
Consulting and audit services	15 140	25
Advertising expenses	9 098	-
Labor costs	3 378	277
Behavioral scoring	2 345	-
Sending messages	1 788	-
Report to the first credit bureau	1 265	-
Listing fee	1 167	-
Membership fees and subscription	984	250
Payment acceptance and transfer services	684	861
Bank services	465	157
Broker services	462	-
Vacation reserve	310	-
Deductions from wages	259	15
Taxes and other mandatory payments to the budget	87	-
Depreciation of fixed assets and intangible assets	14	-
Other expenses	110	-
	37 556	1 585



(in thousands of Kazakhstani tenge)

17. OTHER INCOME/(EXPENSES), NET

	December 31, 2021	December 31, 2020
Foreign exchange gains	8 873	305
Income from the restoration of the reserve	5 061	-
Income from the total difference	1 388	-
Other income	15 322	305
Exchange rate difference expenses	(9 698)	(556)
The cost of creating reserves	(666)	-
Total difference expenses	(26)	-
Expenses for creating a reserve for expected credit losses	-	(5 061)
Other expenses	(10 390)	(5 617)
Other income / (expenses), net	4 932	(5 312)

18. SAVINGS/(EXPENSES) ON CORPORATE INCOME TAX

	2021	2020
Current income tax for the year	-	(4 004)
Deferred income tax for the reporting period	54	-
Savings / (expenses) on corporate income tax	54	(4 004)

Reconciliation of income tax expenses calculated from accounting profit before taxation at the statutory income tax rate of 20% to income tax expenses is presented as follows for the years ended December 31:

	2021	2020
Profit/(loss) before taxation	35 441	(6 413)
Tax rate	20%	20%
Estimated tax amount	7 088	(1 283)
Tax effect of expenses that do not reduce the tax base and income that is not included in the tax base		
Expenses not related to the receipt of taxable income	(7 034)	(2 721)
Savings / (expenses) on corporate income tax	54	(4 004)

Deferred tax assets are presented as follows:

	December 31, 2021	December 31, 2020
Fixed assets and intangible assets	(10)	-
Estimated liabilities	62	-
Taxes	2	-
Deferred tax asset	54	-

Change in deferred tax assets:

	2021	2020
Deferred tax asset at the beginning of the period	-	-
Change in deferred income tax	54	-
Deferred tax asset at the end of the period	54	-

19. RELATED PARTIES

In accordance with IAS 24 «Related Party Disclosures», related parties are considered to be parties, one of which has the ability to control or significantly influence the operational and financial decisions of the other party. When deciding whether the parties are related, the content of the relationship between the parties is considered, and not only their legal form.

Related parties may enter transactions that may not have been conducted between unrelated parties, and the prices and conditions for such transactions may differ from the prices and conditions of transactions between unrelated parties.

Related parties include the key management personnel of the Company, the Company's Participants, other companies under the general control of the Participants.



(in thousands of Kazakhstani tenge)

The nature of the relationship with those related parties with whom the Company has concluded significant transactions or had a significant outstanding balance on transactions is presented as follows:

Operation with a participant - Kan Yuri Vitalievich	Operation	Notes	December 31, 2021	December 31, 2020
Other accounts receivable	Accounts receivable under the contract of assignment of the right of claim	7	3 534	8 924
Other short-term liabilities	Obligations under the contract of assignment of the right of claim	11	-	33 391

Remuneration to key management personnel

As of December 31, 2021 and 2020, the key management staff consists of one person – the CEO. Remuneration to key management personnel includes current payments and taxes paid by the Company for the employee.

For the year ended December 31, 2021 and December 31, 2020, remuneration to key personnel is presented as follows:

	2021	2020
Remuneration to management	450	150
Payroll taxes	38	12
	488	162

20. FINANCIAL RISK MANAGEMENT

The Company is exposed to all currently existing risks in the Republic of Kazakhstan related to its activities. The Company is exposed to market and credit risks and liquidity risk.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in future market prices. Market prices include the following risks: interest rate risk, currency risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to this risk because it has obligations under the placed coupon bonds in foreign currency.

	Tenge	US Dollar	Russian Ruble	Total as 31.12.2021
FINANCIAL ASSETS				
Cash	151 959	122 636	3	274 598
Loans issued	170 998	-	-	170 998
Reverse RP Operations	392 524	-	-	392 524
Other accounts receivable	3 534	-	-	3 534
	719 015	122 636	3	841 654
FINANCIAL OBLIGATIONS				
Debt on issued bonds	-	690 258	-	690 258
Short-term accounts payable	4 191	-	4 920	9 111
	4 191	690 258	4 920	699 369
Net position	714 824	(567 622)	(4 917)	142 285

	Tenge	US Dollar	Swiss Franc	Total as 31.12.2020
FINANCIAL ASSETS				
Cash	85 647	42	48	85 737
Other accounts receivable	8 924	-	-	8 924
	94 571	42	48	94 661
FINANCIAL OBLIGATIONS				
Other short-term liabilities	33 391	-	-	33 391
	33 391	-	-	33 391
Net position	61 180	42	48	61 270



«Microfinance Organization «UNICREDO» LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kazakhstani tenge)

	Increase/ (decrease) of the exchange rate	Effect on profit before tax
As of December 31 , 2021		
US Dollar	20%	(113 524)
	-20%	113 524
Russian Ruble	20%	(983)
	-20%	983
As of December 31 , 2020		
US Dollar	20%	8
	-20%	(8)
Swiss Franc	20%	10
	-20%	(10)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The book value of financial assets reflects the maximum amount exposed to the Company's credit risk. The Company does not have a significant concentration of credit risk.

	Notes	December 31, 2021	December 31, 2020
Cash	4	274 598	85 737
Loans issued	5	170 998	-
Reverse RP Operations	6	392 524	-
Other accounts receivable	7	3 534	8 924
		841 654	94 661

The Company places money in Kazakhstani banks (Note 4). The Company's management periodically reviews the credit ratings of these banks to exclude extraordinary credit risks.

The following table shows the amounts of cash and deposits in banks at the reporting date using the credit rating agencies: «Fitch Ratings», «S&P» и «Moody's».

Bank	Location	Rating		December 31, 2021	December 31, 2020
		December 31, 2021	December 31, 2020		
Halyk Bank	Kazakhstan	BB+ / Stable	BB+ / Stable	153 605	1 304
Alfa-Bank SB JSC	Kazakhstan	BB- / Negative	BB+ / Positive	12 328	12 633
First Heartland Jusan Bank JSC	Kazakhstan	B1 / Stable	B / Negative	6 087	-
				172 020	13 937

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company monitors its liquidity needs on a regular basis and management ensures that sufficient funds are available to meet any upcoming liabilities. The ultimate responsibility for managing liquidity risk rests with the management of the Company.

The table below shows the Company's financial liabilities as of December 31, 2021 and 2020 based on contractual obligations by maturity of these obligations.

FINANCIAL ASSETS	On demand	Less than three months	3-12 months	Over 12 months	2021
Cash	274 598	-	-	-	274 598
Loans issued	-	170 998	-	-	170 998
Reverse RP Operations	-	392 524	-	-	392 524
Other accounts receivable	-	-	3 534	-	3 534
	274 598	563 522	3 534	-	841 654
FINANCIAL LIABILITIES					
Debt on issued bonds	-	-	-	690 258	690 258
Short-term accounts payable	-	-	9 111	-	9 111
	-	-	9 111	690 258	699 369
Net position	274 598	563 522	(5 577)	(690 258)	142 285



(in thousands of Kazakhstani tenge)

FINANCIAL ASSETS	On demand	Less than three months	3-12 months	Over 12 months	2021
Cash	85 737	-	-	-	85 737
Other accounts receivable	-	-	-	8 924	8 924
	85 737	-	-	8 924	94 661
FINANCIAL LIABILITIES					-
Short-term accounts payable	-	-	-	33 391	33 391
	-	-	-	33 391	33 391
Net position	85 737	-	-	(24 467)	61 270

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of quoted available-for-sale financial assets are based on quoted market prices at the reporting date without any deduction for transaction costs.

The Company determines fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the valuation:

- *Level 1:* Quoted (direct) market prices in an active market for an identical instrument.
- *Level 2:* Valuation techniques based on inputs from observable markets that are either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are considered less than active; or using other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- *Level 3:* Valuation techniques using significant unobservable inputs. This category includes all instruments where valuation techniques include inputs not based on observable markets and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company's management believes that the fair value of financial assets and liabilities is close to their book value and represents the amount for which an instrument can be exchanged because of an ongoing transaction between parties willing to make such a transaction, other than a forced sale or liquidation.

The table below provides an analysis of financial instruments carried at fair value as of December 31, 2021, and 2020, by levels of the fair value hierarchy to which the fair value measurement is attributed:

	Level 1	Level 2	Level 3	2021
Assets whose fair value is disclosed				
Cash	-	274 598	-	274 598
Loans issued	-	-	170 998	170 998
Reverse REPO Operations	-	392 524	-	392 524
Other accounts receivable	-	-	3 534	3 534
Total assets	-	667 122	174 532	841 654
Liabilities whose fair value is disclosed				
Debt on issued bonds	-	-	690 258	690 258
Short-term accounts payable	-	-	9 111	9 111
Total liabilities	-	-	699 369	699 369

	Level 1	Level 2	Level 3	2020
Assets whose fair value is disclosed				
Cash	-	85 737	-	85 737
Other accounts receivable	-	-	8 924	8 924
Total assets	-	85 737	8 924	94 661
Liabilities whose fair value is disclosed				
Other short-term liabilities	-	-	33 391	33 391
Total liabilities	-	-	33 391	33 391



(in thousands of Kazakhstani tenge)

22. CONTINGENT LIABILITIES

Political and economic conditions in the Republic of Kazakhstan

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstani economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Taxation

Tax laws in the Republic of Kazakhstan are subject to frequent changes and varying interpretations. Management's interpretation of such legislation as applied to the Company's business may be challenged by the relevant tax authorities, who are enabled by law to impose fines and penalties. Fiscal periods remain open to review by the tax authorities for three calendar years.

The Company's management believes that it has accrued all tax amounts due and therefore no provision has been made in the financial statements.

Legal issues

In the course of its current activities, the Company is not subject to litigation and claims.

23. EVENTS AFTER THE REPORTING DATE

At the time of approval of the financial statements, the Company placed 3,081 pieces of coupon bonds (ISIN KZ2P00008071) for a total amount of 306,697 US dollars.

