# National Information Technologies Joint-Stock Company (JSC)

Financial statements
for the period ended 31 December 2023

**National Information Technologies JSC**

**CONTENT** 2

**MANAGEMENT STATEMENT OF RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023**

Management is responsible for the preparation of the financial statements of National Information Technologies JSC (the "Company") is responsible for the preparation of financial statements that fairly reflect the financial position of the Company as of December 31, 2023, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended December 31, 2023, in in accordance with International Financial Reporting Standards ("IFRS").

In preparing financial statements, management is responsible for:

- ensuring the correct selection and application of accounting policy principles;
- presentation of information, including data on accounting policies, in a form that ensures the relevance, reliability, comparability and comprehensibility of such information;
- disclosure of additional information in cases where compliance with the requirements of IFRS is insufficient for users of information to understand the impact that certain transactions, as well as other events or conditions have on the financial position and financial results of the Company's activities; and
- assessment of the Company's ability to continue its activities in the foreseeable future.

The Company's management is also responsible for:

- development, implementation and maintenance of an effective and reliable internal control system of the Company;
- keeping records in a form that allows disclosing and explaining the Company's transactions, as well as providing information of sufficient accuracy on the Company's financial position as of any date and ensuring compliance of financial statements with IFRS requirements;
- accounting in accordance with the legislation of the Republic of Kazakhstan and IFRS;
- taking all reasonable measures to ensure the safety of the Company's assets;
- identification and prevention of financial and other abuses.

The Company's financial statements for the year ended December 31, 2023 were approved by management on May 14, 2024.

Based on our knowledge and belief, we note that there were no events occurring after the balance sheet date and prior to the date of this statement that would require the adjustments or disclosures set forth above.

**On behalf of the Company's management:**

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**D. Mun,**

**Acting Chairman of the Board**

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**S. Akhanov,**

**Managing Director for Economy, Finance and Administrative Affairs**

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**A. Smagulova,**

**Director, Accounting and Reporting Department - Chief Accountant**

May 14, 2024
Astana, Republic of Kazakhstan

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## INDEPENDENT AUDITOR'S REPORT

To the Founders of National Information Technologies JSC

### Opinion

We audited the financial statements of National Information Technologies JSC (the "Company"), consisting of the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements, in all material respects, present fair and objective information about the financial position of the Company as at December 31, 2023, as well as its financial results and cash flows for the year ended as of that date, in accordance with International Financial Reporting Standards (IFRS).

### Basis for Opinion

We conducted the audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are described further in the *section "Auditor's Responsibility for the Audit of Financial Statements" of* our report. We are independent in relation to the Company in accordance with *the Code of Ethics for Professional Accountants* International Ethics Standards Council for Accountants (IESBA Code), and we have fulfilled other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to form the basis for expressing our opinion.

### Important circumstances

We note that on page 23 of the accompanying financial statements, note 4, Material Judgments and Major Sources of Uncertainty Relating to Estimates, discloses information about management's judgment in the presentation of the financial statements.

On page 38, the note "Events that occurred after the reporting date" discloses information on material events that indicate the economic conditions that arose after the reporting date, in which the Company operates, and the assessment of the management of National Information Technologies JSC after these events

We do not express a modified audit opinion on this matter.

### Responsibility of management and those charged with governance for financial reporting

Management is responsible for the preparation and fair presentation of those financial statements in accordance with IFRS and for the internal control that management considers 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 going concern, as appropriate, and for reporting on a going concern basis, unless management intends to liquidate, cease to operate, or otherwise has any real alternative other than liquidation or termination of activities.

Those in charge of corporate governance are responsible for overseeing the preparation of the Company's financial statements.

### Auditor's Responsibility for the Audit of Financial Statements

Our objective 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 is a high degree of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect material misstatement, if any.

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

As part of an audit conducted in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of financial statements due to fraud or errors; develop and conduct audit procedures in response to these risks; obtain audit evidence that is sufficient and appropriate to form the basis for expressing our opinion. The risk of failure to detect material misstatement due to fraud is higher than the risk of failure to detect material misstatement due to error, as fraudulent acts may include collusion, forgery, willful omission, misrepresentation of information or bypassing internal control;
- gain an understanding of the internal control system that is relevant to the audit in order to develop audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system; Assess the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- asses 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 application of the going concern assumption and, based on the audit evidence obtained, conclude whether there is material uncertainty due to events or conditions that may raise significant doubts about the Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we shall draw attention in our auditor's report to the relevant 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 auditor's report. However, future events or conditions may cause the Company to lose its ability to continue its activities uninterruptedly;
- We assess the overall presentation of the financial statements, their structure and content, including disclosures, and whether the underlying financial statements present the underlying transactions and events in a manner that is fair to them.

We interact with those engaged in corporate management and provide them information, among other things, on the scheduled scope and terms of the audit, as well as data about significant audit findings, including significant flaws in internal control that we identify during the audit process.

Yerlan Arnabekov
Audit Engagement Partner

Qualification certificate No.МФ-0000549 as of December 24, 2003

Sholpanay Kudaibergenova
Director General
Russell Bedford A+ Partners LLP

State license to perform audit activities on the territory of the Republic of Kazakhstan No.18013076 issued by the Internal State Audit Committee, Ministry of Finance of the Republic of Kazakhstan as of July «03», 2018.

**May 14, 2024**

Astana, Republic of Kazakhstan

| *In thousand tenge* | Notes | As of December 31, 2023 | As of December 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Long-term assets** | | | |
| Fixed assets | **11** | 24 869 024 | 14 187 264 |
| Right-of-use asset | **10** | 1 070 009 | 4 866 232 |
| Intangible assets | **12** | 2 884 642 | 1 731 873 |
| **Total non-current assets** | | **28 823 675** | **20 785 369** |
| **Current assets:** | | | |
| Cash and cash equivalents | **5** | 35 557 020 | 40 314 243 |
| Current financial assets measured at amortized cost | | - | 100 119 |
| Other short-term financial assets | **6** | 109 136 | 115 299 |
| Short-term trade and other receivables | **7** | 1 411 047 | 703 713 |
| Current income tax | | 489 668 | 348 379 |
| Reserves | **8** | 268 149 | 219 296 |
| Other current assets | **9** | 15 897 208 | 1 669 142 |
| Assets (or disposal groups) held for sale | | 8 142 | - |
| Total current assets | | **53 740 370** | **43 470 191** |
| Total Assets | | **82 564 045** | **64 255 560** |
| **LIABILITIES** | | | |
| **Short-term liabilities** | | | |
| Short-term trade and other payables | **13** | 22 065 918 | 16 000 992 |
| Short-term estimated liabilities | **14** | 1 928 289 | 654 245 |
| Employee benefits | **15** | 1 668 223 | 2 046 493 |
| Short-term rent arrears | **10** | 956 995 | 4 657 373 |
| Short-term obligations under contracts by buyers | | 10 129 | 9 244 |
| Other current liabilities | **16** | 604 490 | 560 339 |
| **Total current liabilities** | | **27 234 044** | **23 928 686** |
| long term duties | | | |
| Deferred tax liabilities | **25** | 906 950 | 31 534 |
| Long-term rent arrears | **10** | 660 105 | 1 248 294 |
| **Total long-term liabilities** | | **1 567 055** | **1 279 828** |
| Capital | | | |
| Share capital | **17** | 18 507 365 | 13 507 365 |
| Retained earnings (uncovered loss) | | 35 255 581 | 25 539 681 |
| **Total capital** | | **53 762 946** | **39 047 046** |
| **Total capital and liabilities** | | **82 564 045** | **64 255 560** |

**D. Mun,**
Acting Chairman of the Board

**S. Akhanov,**
Managing Director for Economy, Finance and Administrative Affairs

**A. Smagulova,**
Director, Accounting and Reporting Department - Chief Accountant

The notes on pages 11-38 are an integral part of these financial statements

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| *In thousand tenge* | Notes | Year 2023 | Year 2022 |
|---|---|---|---|
| Revenue from sales of goods, works and services | 18 | 61 807 972 | 53 887 788 |
| Cost of goods, works and services sold | 19 | (52 743 583) | (43 778 585) |
| **Gross profit** | | **9 064 389** | **10 109 203** |
| Sales costs | | (1 255) | (810) |
| Administrative expenses | 20 | (1 583 404) | (1 648 572) |
| Financial income | 21 | 4 401 753 | 2 569 958 |
| Financial expenses | 22 | (447 496) | (889 506) |
| Other income | 23 | 146 868 | 317 264 |
| Other expenses | 24 | (133 783) | (292 585) |
| **Profit before tax** | | **11 447 072** | **10 164 952** |
| Income tax expenses | 25 | (1 731 163) | (50 030) |
| **Profit for the year** | | **9 715 909** | **10 114 922** |
| **Other comprehensive income** | | - | - |
| **Total annual income** | | **9 715 909** | **10 114 922** |

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| *In thousand tenge* | **Year 2023** | **Year 2022** |
|---|---|---|
| **I. Cash flow from operating activities** | | |
| **1. Cash receipts, total** | **73 485 166** | **60 517 779** |
| including: | | |
| sale of goods and services | 68 900 027 | 58 025 121 |
| advances received from buyers, customers | 10 129 | 9 244 |
| rewards received | 4 334 448 | 2 430 046 |
| other supply | 240 562 | 53 368 |
| **2. Total cash outflow** | **63 333 181** | **39 630 462** |
| including: | | |
| payments to suppliers for goods and services | 32 678 462 | 23 504 818 |
| advances issued to suppliers of goods and services | 11 992 608 | 1 755 |
| wage payments | 10 281 041 | 8 191 066 |
| payment of remuneration | 447 496 | 889 506 |
| income tax and other payments to the budget | 6 733 220 | 6 504 922 |
| other payments | 1 200 354 | 538 395 |
| **3. Net cash from operating activities** | **10 151 985** | **20 887 317** |
| **II. Cash flow from investing activities** | | |
| **1. Cash receipts, total** | **7 021** | **3 080** |
| including: | | |
| sale of fixed assets | - | - |
| sale of intangible assets | - | - |
| sale of other long-term assets | - | - |
| sale of debt instruments of other organizations | - | - |
| **II. Cash flow from investing activities** | | |
| withdrawal of cash deposits | - | - |
| sale of other financial assets | - | - |
| **II. Cash flow from investing activities** | - | - |
| futures and forward contracts, options and swaps | - | - |
| dividends received | - | - |
| rewards received | - | - |
| other supply | 7 021 | 3 080 |
| **2. Total cash outflow** | **15 169 679** | **5 694 649** |
| including: | | |
| acquisition of fixed assets | 13 699 417 | 5 620 018 |
| acquisition of intangible assets | 1 470 262 | 74 631 |
| other payments | - | - |
| **3. Net cash from investing activities** | **(15 162 658)** | **(5 691 569)** |
| **III. Cash flow from financing activities** | | |
| **1. Cash receipts, total** | **5 000 000** | **5 224 796** |
| including: | | |
| issue of shares and other financial instruments | 5 000 000 | - |
| obtaining loans | - | - |
| rewards received | - | - |
| other supply | - | 5 224 796 |

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| *In thousand tenge* | **Year 2023** | **Year 2022** |
|---|---|---|
| **2. Total cash outflow** | **4 736 062** | **10 402 331** |
| including: | | |
| loan repayment | - | - |
| payment of remuneration | - | - |
| dividend payment | - | 5 224 796 |
| payments to owners on shares of the organization | - | - |
| other disposals | 4 736 062 | 5 177 535 |
| **3. Net cash from financing activities** | **263 938** | **(5 177 535)** |
| **4. Impact of currency exchange rates to tenge** | **(3 430)** | **15 327** |
| **5. Impact of changes in the carrying amount of cash and cash equivalents** | **(7 058)** | **13 700** |
| **6. Increase +/- decrease in cash** | **(4 757 223)** | **10 047 240** |
| **7. Cash and cash equivalents at the beginning of the reporting period** | **40 314 243** | **30 267 003** |
| **8. Cash and cash equivalents at the end of the reporting period** | **35 557 020** | **40 314 243** |

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| *In thousand tenge* | Notes | Share capital | Retained earnings | Total |
|---|---|---|---|---|
| **As of January 1, 2022** | | **13 507 365** | **15 426 343** | **28 933 708** |
| Profit for the year | | - | 10 114 922 | **10 114 922** |
| Dividend distribution | | - | (5 224 796) | **(5 224 796)** |
| Other transactions with owners | | - | 5 224 796 | **5 224 796** |
| Other operations | | - | (1 584) | **(1 584)** |
| **As of December 31, 2022** | | **13 507 365** | **25 539 681** | **39 047 046** |
| Profit for the year | | - | 9 715 909 | **9 715 909** |
| Share capital contribution | **17** | 5 000 000 | - | **5 000 000** |
| Other operations | | - | (9) | **(9)** |
| **As of December 31, 2023** | | **18 507 365** | **35 255 581** | **53 762 946** |

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Acting Chairman of the Board

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## 1. GENERAL INFORMATION

***(a) Organizational structure and activities***

*Full and abbreviated name:*

- Company name – National Information Technologies Joint-Stock Company
- Abbreviated – NITEC JSC

The Company was established in accordance with the Decree of the Government of the Republic of Kazakhstan dated April 4, 2000 No. 492 "On the Development of a Single Information Space in the Republic of Kazakhstan and the Establishment of the Closed Joint-Stock Company "National Information Technologies". The Company was reorganized in accordance with the Law of the Republic of Kazakhstan "On Joint-Stock Companies" No.415 dated May 13, 2003 and re-registered on October 1, 2004 under the number 9922-1901 JSC, assigned by the Ministry of Justice of the Republic of Kazakhstan, BIN 000740000728.

The sole shareholder of the Company: "Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan" (hereinafter referred to as "Sole Shareholder"). In accordance with the Decree of the Government of the Republic of Kazakhstan dated August 5, 2022 No. 540 "On some issues of the joint stock company "National Infocommunication Holding "Zerde"", the Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan was transferred the rights to own and use blocks of shares of the joint stock company "National Information Technologies" ".

By the Decree of the Government of the Republic of Kazakhstan dated January 29, 2016 No.40, the Company was determined as the operator of the information and communication infrastructure of the "Electronic Government", and according to the Decree of the Government of the Republic of Kazakhstan dated February 26, 2016 No118, the Company was determined as the Unified Contact Center. Also, by the Decree of the Government of the Republic of Kazakhstan dated December 31, 2015 No. 1177, the Company was determined as the operator of these control meters in the field of production of ethyl alcohol and alcoholic products, as well as the production and turnover of petroleum products, and by the Decree of the Government of the Republic of Kazakhstan dated August 22, 2019 No. 621, the Company was determined as the operator of the unified information system for mandatory technical inspection of motor vehicles and trailers to them.

By the Decree of the Government of the Republic of Kazakhstan dated November 11, 2016 No. 696 "On Reorganization of National Information Technologies Joint-Stock Company and National Company Kazsatnet Joint-Stock Company", NC Kazsatnet JSC was merged with the Company with the transfer of all property, rights and obligations.

Legal address and actual location of the Company:

Republic of Kazakhstan, 010000, Astana, Yesil district, Mangilik El Avenue, building 55/15.

***b) The Company carries out the following activities (under the Charter):***

1) ensuring compliance with uniform requirements in the field of information and communication technologies and ensuring information security, requirements for the development of the e-government architecture, requirements for data management;
2) implementation of system and technical maintenance and maintenance of information and communication infrastructure facilities of "electronic government" in accordance with the list approved by the authorized body;
3) has the right to involve information and communication infrastructure facilities of other persons for the development of the information and communication infrastructure of "electronic government", as well as other persons for the implementation of support and system and technical maintenance of information systems of state bodies;
4) provision of information and communication services to government agencies;
5) ensuring the security of storage of state electronic information resources located on the information and communication infrastructure of "electronic government" assigned to the operator;
6) ensuring the security of storage of state electronic information resources in the provision of information

and communication services;

7) ensuring a prompt response to the identified shortcomings in the provision of information and communication services, as well as public services in electronic form and taking measures to eliminate them;
8) provision of services for the provision of an information and communication platform of "electronic government" for the creation, development and placement of informatization objects of "electronic government";
9) integration and connection of e-government informatization objects to the e-government gateway and the national gateway of the Republic of Kazakhstan, as well as connection of informatization objects of state bodies to the information and communication infrastructure of e-government;
10) renders communication services to state bodies, their subordinate organizations, local self-government bodies, as well as other subjects of informatization, determined by the authorized body and connected to the unified transport environment of state bodies, for the functioning of their electronic information resources and information systems. For the provision of communication services, has the right to engage other persons as subcontractors (co-executors) of services;
11) implementation of the creation and development of the information and communication platform of "electronic government" and the unified transport environment of state bodies;
12) maintenance and system maintenance of the national gateway of the Republic of Kazakhstan;
13) maintenance and system and technical maintenance of the Root Certification Authority of the Republic of Kazakhstan, the Certification Authority of state bodies of the Republic of Kazakhstan, the National Certification Authority of the Republic of Kazakhstan and a trusted third party of the Republic of Kazakhstan;
14) implementation of information content of the e-government web portal with electronic information resources provided by state bodies and other subjects of service provision in electronic form;
15) providing consulting assistance to state bodies in the development of information and communication infrastructure of "electronic government";
16) management of projects for the development of information and communication infrastructure facilities of "electronic government" and the national gateway of the Republic of Kazakhstan;
17) collection, processing, storage and transfer of electronic information resources for data analytics in accordance with the data management requirements approved by the authorized data management body;
18) collection, processing, storage and transfer of data on the e-Gov information and communication platform in accordance with the data management requirements approved by the authorized data management body;
19) provision of services for the provision of information and communication infrastructure for the provision of information, reference and consulting services to legal entities;
20) accounting and storage of developed software, source program codes (if any), a set of settings for licensed software of e-government informatization objects;
21) carrying out the activities of the operator of the unified information system of mandatory technical inspection of motor vehicles and trailers to them, carrying out the maintenance, development, integration and maintenance of the unified information system of mandatory technical inspection of motor vehicles and trailers to them;
22) carrying out the activities of the national operator (national administrator) of the system of electronic passports of vehicles (vehicle chassis passports) and electronic passports of self-propelled machines and other types of equipment, organizing work with the administrator of electronic passport systems with security and interaction with participants of the electronic passport system and authorities;
23) carrying out the activities of the operator of these control metering devices in the field of production and turnover of oil products, providing automated online transfer of data of control metering devices to the authorized body in the field of turnover of oil products, its territorial subdivisions, as well as to the authorized body in the field of production of oil products;
24) carrying out the activities of the operator of these control metering devices in the field of production of ethyl alcohol and alcoholic products, providing automated online transmission of these control meters to the authorized body and its territorial subdivisions.

Types of activities that require a license or other type of permit, which must be obtained in accordance with the procedure established by law, are carried out only after obtaining the appropriate licenses or other types of permits.

The company has the right to carry out activities technologically related to the production of goods, the performance of work, the provision of services related to the field of special law.

***c) In the course of its activities, the Company uses the following licenses:***

- State license for certification of compliance of the public key of the electronic digital signature with the private key of the electronic digital signature, as well as for confirmation of the authenticity of the registration certificate ABA No 001300 dated June 12, 2006, issued by the Agency of the Republic of Kazakhstan for Informatization and Communications;
- State License for the provision of IT telephony (Internet – telephone) ABA No 002170 dated August 26, 2009, issued by the Agency of the Republic of Kazakhstan for Informatization and Communications;
- State License for Data Transmission ABA No 000685 dated December 2, 2004, issued by the Agency of the Republic of Kazakhstan for Informatization and Communications;
- License for the provision of services to identify technical channels of information leakage and special technical means intended for conducting operational search activities No 072 dated March 6, 2019, issued by the National Security Committee of the Republic of Kazakhstan.
- Inalienable license for the development of cryptographic information protection tools

## 2. FINANCIAL REPORTING BASICS

***(a) Basis of financial reporting***

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards, including all previously adopted standards and interpretations of the IASB, and are fully consistent with them. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise judgment on assumptions in the application of accounting policies. Areas of application that involve an increased level of complexity or application of assumptions, and areas where the application of estimates and assumptions is material to the financial statements, are disclosed in Note 4 below.

***b) Functional and presentation currencies***

The functional currency of the Company is the Kazakhstani Tenge (hereinafter referred to as the "Tenge"), which, being the national currency of the Republic of Kazakhstan, best reflects the economic essence of most of the Company's transactions and related circumstances affecting its activities. The Kazakh Tenge is also the presentation currency of these financial statements. All financial statements are rounded to the nearest thousand tenge. The financial statements present comparative information for the previous period.

***c) Transactions and events in foreign currency***

Transactions and events in foreign currency are recorded in the national currency of the Republic of Kazakhstan using the market exchange rate. Exchange differences arising from the settlement of cash items or from the translation of monetary items at rates different from the rates at which they were initially recognized during the reporting period shall be recognized in profit or loss in the period in which they arise.

| **Currency** | **As of 31st of December 2023** | **Average on 2023** | **As of 31st of December 2022** | **Average on 2022** |
|---|---|---|---|---|
| US Dollars | 454,56 | 456,2 | 462,65 | 460,48 |
| Euro | 502,24 | 493,2 | 492,86 | 492,86 |
| Russian rubles | 5,06 | 5,4 | 6,43 | 6,43 |

***d) The principle of continuous activity***

The financial statements have been prepared on the assumption that the Company will adhere to the going concern principle, which assumes that the Company will continue to operate for the foreseeable future and will be able to dispose of its assets, repay debts and meet its obligations. The Company has no intention or need to liquidate or significantly reduce its activities in the future.

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The accompanying financial statements do not contain adjustments necessary if the Company could not continue its operations on the basis of the principle of continuity.

*e) Basis for valuation*

These financial statements have been prepared generally in accordance with the historical cost principle, and fair value measurements have been used for individual items in the financial statements.

Fair value is defined as the amount that would have been received on the sale of an asset or paid on the transfer of a liability in a voluntary transaction between market participants at the measurement date, regardless of whether that value is directly observable or determined using another methodology. In the preparation of financial statements, fair value measurement is classified by levels depending on the observability of the initial data and their materiality for measurement:

- Level 1 – quoted prices (without adjustments) for the same assets and liabilities in an active market that the Company can observe as of the valuation date;
- Level 2 – inputs that do not correspond to Level 1, but are observable for the asset or liability directly or indirectly;
- Level 3 – unobservable inputs on an asset or liability;

*(e) Recognition of elements of the financial statements*

The accompanying financial statements include all transactions and events that meet the definition of the elements of the financial statements and the condition for their recognition:

- Society is largely confident that any economic benefit associated with the object will be gained (or lost);
- An object has a value or valuation that can be reliably measured.

*g) Sequence of presentation*

The presentation and classification of items in the financial statements are retained from the current period to the next. A significant revision of the presentation of the financial statements may require changes to the presentation of the financial statements. The company makes changes to the presented financial statements only if the changed presentation provides such information that is reliable and more significant for users of financial statements, while the revised structure will be preserved and the comparability of information will not be affected.

*g) New and revised International Financial Reporting Standards.*

In preparing these financial statements, the Company applied the following standards and amendments that came into force on January 1, 2023:

- IFRS 17 Insurance Contracts
- Deferred tax relating to assets and liabilities arising from a single transaction (amendments to IAS 12)
- International Tax Reform – Model Rules of the Second Pillar (Amendments to IAS 12);
- Determination of accounting estimates (amendments to IAS 8)
- Disclosure of accounting policies (amendments to IAS 1)

The above standards and amendments did not have a material impact on the Company's financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied by the Company consistently in all reporting periods presented in these financial statements.

*(a) Property, plant and equipment*

At initial recognition, property, plant and equipment are valued at acquisition cost. Subsequently, property, plant and equipment are carried at cost, less accumulated depreciation and impairment, that is, the Company has chosen as its accounting policy the historical cost model provided for in IAS 16 "Property, Plant and Equipment" and applies the selected policy to all classes of property, plant and equipment.

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| Group name | Useful life |
|---|---|
| Buildings | 15-40 years |
| Facilities | 15-40 years |
| Machinery and equipment | 4-20 years |
| Transport | 5-10 years |
| Other fixed assets | 3-10 years |

The estimated useful life of property, plant and equipment may be reviewed on an annual basis and changes in timing are adjusted in subsequent periods if necessary. The carrying amount of property, plant and equipment is reviewed for impairment when there are any events or changes in circumstances that conceal that the present value is not recoverable.

***b) Intangible assets***

An intangible asset is recognized by the Company if it meets the definition of an intangible asset and the criteria for recognizing an intangible asset:

- Identifiability
- Control
- Does not have a physical form

The criteria for recognizing an intangible asset are:

- the probability of obtaining future economic benefits related to this asset;
- the possibility of a reliable assessment of the value of the asset.

Intangible assets that were acquired separately are measured at cost at initial recognition. After initial recognition, intangible assets are carried at cost less accumulated depreciation and accumulated impairment losses (if any).

Intangible assets with a limited useful life are depreciated over that period and are measured for impairment if there is evidence that the asset is impaired. The depreciation period and method for an intangible asset with a limited useful life are reviewed at least at the end of each reporting year. A change in the estimated useful life or estimated pattern of consumption of the future economic benefits embodied in an asset is recognized in the financial statements as a change in the period or depreciation method, as appropriate, and is accounted for as a change in accounting estimates. Depreciation expense for intangible assets with limited useful lives is recognized in the income statement in the expense category that corresponds to the function of the intangible asset.

| Name | Useful life |
|---|---|
| Software, licenses | 1-20 years |

The gain or expense from the write-off of an intangible asset is measured as the difference between the net proceeds from the disposal of the asset and the present value of the asset and is recognized in the income statement when the asset is written off.

*Research and development costs*

Research costs are charged to expenses as they are incurred. An intangible asset arising from the costs of developing a specific product is recognized only when the Company can demonstrate the following:

- The technical feasibility of creating the intangible asset so that the asset is available for use or sale;
- Its intention to complete the development of the intangible asset and use or sell it;
- How the intangible asset will create future economic benefits;
- Availability of sufficient resources to complete the development;
- The ability to reliably estimate the costs related to the intangible asset during its development;
- Ability to use the created intangible asset.

After initial recognition of development costs as an asset, assets are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation of an asset begins after the end of development, when the asset is ready for use, and is made over the expected period of future economic benefits. Depreciation is reflected in the cost price.

*Impairment of non-financial assets*

At each reporting date, the Company determines whether there are signs of possible impairment of the asset. If such indications occur or if an annual impairment check of the asset is required, the Company shall assess the recoverable amount of the asset. Intangible assets are not depreciated at the development stage, but are tested for impairment annually, regardless of the presence/absence of signs of impairment. The recoverable amount of an asset or cash-generating unit (CGU) is the higher of the asset's fair value less costs to sell and value in use (CGU). Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows, which are substantially independent of inflows generated by other assets or groups of assets. If the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and written off to its recoverable amount. In value in use, future cash flows are discounted at the pre-tax discount rate, which reflects the current market valuation of the time value of money and the risks inherent in the asset. In determining fair value less costs to sell, recent market transactions (if any) are taken into account. In their absence, an appropriate valuation model is applied.

Impairment losses on continuing operations (including impairment of inventories) are recognized in the income statement in the expense categories that correspond to the function of the impaired asset.

***c) Financial assets***

*Initial Recognition and Assessment*

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

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows for the financial asset and the business model used by the Company to manage these assets. Except for trade receivables that do not contain a significant financing component or for which the Company has applied a practical simplification, the Company initially measures financial assets at fair value increased in the case of financial assets not measured at fair value through profit or loss by the amount of transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied a practical simplification are measured at the transaction price determined in accordance with IFRS 15 Revenue from Contracts with Customers.

In order for a financial asset to be classified and measured at amortised cost or at fair value through other comprehensive income, it is necessary that the contractual terms of the asset provide for cash flows that are "exclusively principal and interest payments" on the principal amount outstanding. This assessment is called an SPPI test and is done at the level of each instrument.

The business model used by the Company for the management of financial assets describes the way in which the Company manages its financial assets in order to generate cash flows. The business model determines whether the cash flows will result from the receipt of contractual cash flows, the sale of financial assets, or both.

All transactions for the purchase or sale of financial assets that require the delivery of assets within the period established by law or rules adopted in a particular market (trading on "standard terms") are recognized on the date of the transaction, that is, on the date when the Company assumes the obligation to buy or sell the asset.

The Company's financial assets include cash and cash equivalents, bank fees, trade receivables, and investments in bonds.

*Follow-up evaluation*

For the purposes of subsequent valuation, financial assets are classified into four categories:

- Financial assets measured at amortised cost (debt instruments);

- Financial assets measured at fair value through other comprehensive income with subsequent reclassification of cumulative gains or losses (debt instruments);
- Financial assets designated at fair value through other comprehensive income without subsequent reclassification of cumulative gains or losses on derecognition (equity instruments);
- Financial assets measured at fair value through profit or loss.

*Financial assets measured at amortised cost*
This category is the most appropriate for the Company. The company measures financial assets at amortised cost if both of the following conditions are met:

- A financial asset is held under a business model that aims to hold financial assets to collect contractual cash flows; and
- The contractual terms of a financial asset result in cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are subsequently measured using the effective interest method and are subject to impairment requirements. A gain or loss is recognized in profit or loss if the asset is derecognized, modified or impaired.

Financial assets measured at fair value are subsequently measured using the effective interest method and are subject to impairment requirements. Gains or losses are recognized in profit or loss if the asset is derecognized, modified or impaired. The Company includes trade receivables, investments in bonds and funds in credit institutions (bank deposits, cash and cash equivalents) as financial assets measured at amortised cost.

The Company accounts for all financial assets at amortised cost.

*Disrecognition*

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized (i.e. excluded from the Company's balance sheet) if:

- The rights to receive cash flows from the asset have expired;
- The Company transferred its rights to receive cash flows from the asset or undertook to pay the third party the cash flows received in full and without significant delay under the "transit" agreement; and
- Either (a) the Company has transferred almost all the risks and benefits of the asset, or (b) the Company has not redistributed, but does not retain almost all the benefits of the asset, but has transferred control over this asset.

If the Company has transferred all its rights to receive cash flows from an asset or entered into a transit agreement, it assesses whether it has retained the risks and rewards associated with ownership, and if so, to what extent. If the Company has not transferred, but has not retained substantially all of the risks and rewards of the asset, and has not transferred control of the asset, the Company continues to recognise the transferred asset to the extent that the Company continues its involvement in the transferred asset.

In this case, the Company also recognizes the corresponding obligation. The transferred asset and the corresponding liabilities are measured on a basis that reflects the rights and obligations retained by the Company. Continuing participation, which takes the form of a guarantee for the transferred asset, is recognized at the lesser of the original carrying amount of the asset or the maximum consideration that may be required from the Company.

*Impairment of financial assets*

Companies recognise an allowance for expected credit losses (ECLs) for all debt instruments not measured at fair value through profit or loss. ECLs are calculated on the basis of the difference between the cash flows due under the contract and all cash flows that the Company expects to receive, discounted using the original effective interest rate or its approximate value.

With respect to trade and other receivables, the Company applied the simplified approach provided for by the standard and calculated the expected credit losses for the entire period. The Company used a valuation allowance matrix based on its past experience of incurring credit losses, adjusted for borrower-specific forecast factors and general environmental conditions. In the case of other debt financial assets, including loans issued, expected credit losses are calculated over a 12-month period. 12-month expected credit losses are the part of lifetime expected credit losses, which are expected credit losses that arise from defaults on a financial instrument that occur within 12 months after the reporting date. However, if the credit risk of a financial instrument increases significantly since initial recognition, the loss allowance is measured at an amount equal to the expected lifetime credit losses.

***d) Financial liabilities***

*Initial Recognition and Assessment*

Financial liabilities are classified at initial recognition as financial liabilities measured at fair value through profit or loss, loans and borrowings, accounts payable or derivatives.

All financial liabilities are initially recognized at fair value less (in the case of loans, payables) the directly related transaction costs.

The Company's financial liabilities include trade and other payables.

*Follow-up evaluation*

For subsequent measurement purposes, financial liabilities are classified into the following two categories:

- Financial liabilities measured at fair value through profit or loss;
- Financial liabilities measured at amortised cost (loans and borrowings).

*Trade and other payables*

Trade payables are initially carried at fair value and subsequently measured at cost. A financial liability is derecognized in the balance sheet if the liability is settled, cancelled or expired. If an existing financial liability is replaced by another liability to the same creditor on materially different terms, or if the terms of the existing liability are materially changed, the substitution or modifications are accounted for as derecognition of the original liability and the start of recognition of the new liability, and the difference in their carrying amounts is recognized in the income statement.

**Fair value of financial instruments**

The fair value of financial instruments traded in active markets at each reporting date is determined on the basis of market or dealer quotes (buy quotes for long positions and sell quotes for short positions), net of transaction costs.

For financial instruments that are not traded in an active market, fair value is determined by applying appropriate valuation techniques. Such methodologies may include the use of prices from recent commercial transactions, the use of the fair value of similar instruments; analysis of discounted cash flows or other valuation models.

The best evidence of the fair value of a financial instrument at initial recognition is usually the transaction price, that is, the fair value of the consideration paid or received. If the Company determines that the fair value at initial recognition is different from the transaction price and the fair value is not supported by current quotations in an active market for a similar asset or liability and is not based on valuation methods that use only observable inputs, the financial instrument is initially measured at fair value adjusted to offset the difference by the fair value at initial recognition and the price Deal. After initial recognition, the difference is recognized in profit or loss appropriately over the life of the instrument, but no later than when the measurement is fully supported by the observable inputs or when the transaction is completed.

*Disrecognition*

A financial liability is derecognized if the liability is settled, cancelled or expired.

If an existing financial liability is replaced by another liability owed to the same creditor on materially different terms, or if the terms of the existing liability are materially modified, the substitution or changes are accounted for as derecognition of the original liability and the commencement of recognition of the new liability, and the difference in carrying amount is recognized in profit or loss.

*Offsetting of financial instruments*

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Financial assets and financial liabilities are offset and the net amount presented on the balance sheet when there is a currently secured legal protection of the rights to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities at the same time.

***e) Stockpiles***

Inventories are accounted for at the lower of two values: actual cost and net realizable value.

The initial cost of inventories includes all costs incurred in the ordinary course of business in bringing the inventory to the site and bringing it to its current state.

The net possible realizable value is defined as the estimated price in the ordinary course of business less the estimated cost of completion of production and the estimated cost of disposal.

The cost of inventories is determined using the weighted average method.

***(e) Cash and cash equivalents***

Cash and cash equivalents include cash in demand bank accounts and other short-term, highly liquid investments with an initial maturity of less than three months under the contract.

Funds in credit institutions in the balance sheet have an initial maturity of up to one year.

*Reverse repo transactions*

Securities acquired under agreements with a resale obligation (hereinafter referred to as "reverse repo transactions") are recorded in the item "Cash and cash equivalents". The difference between the purchase price and the resell price is interest income and is accrued during the validity period of the Reverse REPO transaction using the effective interest rate method.

***g) Reserves***

Provisions are recognized if the Company has a current liability (legal or practical) arising from a past event; An outflow of economic benefits that would be required to settle the liability is probable, and a reliable estimate of the amount of the obligation can be obtained. If the Company expects to receive a reimbursement of the provision, then the reimbursement is recognized as a separate asset, but only if the receipt of the reimbursement is not in doubt. An expense related to the reserve is recorded in the income statement less reimbursement. If the effect of the time value of money is material, provisions are determined by discounting future cash flows at a pre-tax rate that reflects the current market for the time value of money and, where possible, the risks related to the liability. When discounting is used, an increase in the provision over time is recognized as a financial cost.

***g) Rent***

At the time of entering into the agreement, the Company assesses whether the agreement is a lease or whether it contains signs of a lease. In other words, the Company determines whether the contract transfers the right to control the use of an identified asset for a certain period of time in exchange for compensation.

*Company as tenant*

The Company applies a uniform approach to the recognition and valuation of all lease agreements, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities in respect of making lease payments and right-of-use assets, which represent the right to use the underlying assets.

*Right-of-use assets*

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, adjusted for revaluation of lease liabilities. The cost of right-of-use assets includes the amount of the lease liability recognized, the initial direct costs incurred and the lease payments made on or before the start date of the lease, less the lease incentive payments received. Right-of-use assets are amortized on a straight-line basis over the shorter of the following periods: the lease term or the estimated useful life of the asset. Right-of-use assets are also subject to an impairment test.

*Lease obligations*

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At the start date of the lease, the Company recognizes lease liabilities that are measured at the present value of lease payments to be made during the lease term. Lease payments include fixed payments (including, in fact, fixed payments) less any incentive payments on lease receivable, variable lease payments. Which depend on the index or rate, and the amounts that are expected to be paid under the liquidation value guarantees. Lease payments also include the price of exercising the option to pay, if there is sufficient certainty that the Company will exercise this option, and payment of penalties for termination of the lease. Variable lease payments that are independent of index or rate are recognized as expenses (except when they are incurred for the production of inventories) in the period in which the event or condition giving rise to such payments occurs.

To calculate the present value of lease payments, the Company uses the rate of additional borrowing as of the start date of the lease, since the interest rate laid down in the lease agreement cannot be easily determined. After the start date of the lease, the lease liability is increased to reflect interest accrual and decreased to reflect the lease payments made.

*Short-term leases and leases of low-value assets*

The Company applies the derecognition exemption in respect of short-term leases to its short-term leases (i.e. contracts for which the lease term is not more than 12 months at the commencement date of the lease and which do not contain an option to purchase the underlying asset). The company also applies the derecognition exemption for leases of low-value assets to leases that are considered to be low-value. Lease payments for short-term leases and leases of low-value assets are recognized as straight-line expenses over the life of the

*The Company as a Landlord*

A lease under which the Company retains virtually all the risks and rewards associated with owning an asset is classified as an operating lease. The resulting rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the income statement due to its operating nature. Initial direct costs incurred in entering into an operating lease are included in the carrying amount of the leased asset and are recognized over the lease term on the same basis as lease income. Notional rent is recognized as revenue in the period in which it is received.

*h) Employee benefits*

Employee benefits include: short-term employee benefits, such as wages, social security contributions, annual paid leave and paid sick leave, compensations and guarantees provided for by the labor legislation of the Republic of Kazakhstan, bonuses, as well as remuneration in a reliable form, and other payments.

The Company recognizes the undiscounted amount of short-term employee benefits payable in exchange for services rendered by the employee.

***i) Revenue from contracts with customers***

The Company's activities are related to the performance of knowledgeable main types of work and services:

- Ensuring compliance with uniform requirements in the field of information and communication technologies and information security, as well as the rules for the implementation of the information service model;
- Implementation of system and technological maintenance and maintenance of information and communication infrastructure facilities of "electronic government" in accordance with the list approved by the authorized body;
- Provision of information and communication services to government agencies on the basis of the information and communication infrastructure of "electronic government" in accordance with the catalog of information and communication services;
- Provision of communication services to state bodies, their subordinate organizations, local self-government bodies, as well as other subjects of informatization, determined by the authorized body and connected to the unified transport environment of state bodies, for the functioning of their electronic information resources and information systems, etc.

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Revenue in respect of core activities is recognized over a period of time (on a periodic basis) because the criteria for recognizing revenue during the period are met, i.e. the acquirer simultaneously receives and consumes the benefits provided by the Company.

Contracts concluded by the company with buyers, as a rule, include one or more performance obligations, which turn out to be on the same temporary basis. The Company does not have the effect of variable reimbursement, since the contract does not provide for other promises that may represent separate performance obligations (for example, guarantees, reward points provided under the customer loyalty program), to which it is necessary to distribute part of the transaction price.

As a rule, the Company receives payments from buyers after the provision of services. In rare cases, the Company receives short-term advance payments. As a result of the practical simplification provided for in IFRS 15, the Company does not adjust the promised consideration amount to take into account the impact of a significant financing component if, at the time of entering into the contract, it expects that the period between the transfer of the promised service to the customer and the buyer's payment for such service will be no more than one year.

*Assets under the contract*

An asset under the contract is the Company's right to receive compensation in exchange for services transferred to the buyer. If the Company transfers services to the customer before the buyer makes the indemnity or before the indemnity becomes payable, then the contractual asset is recognized for the received consideration that is contingent.

*Trade receivables*

Accounts receivable provide the Company with the right to compensation, which is unconditional (i.e. the occurrence of the moment when such compensation becomes payable is due only to the passage of time). Accounting policies for financial assets are discussed in IFRS 9 Financial Instruments.

*Obligations under the contract*

Obligations under the contract are the obligation to transfer to the buyer the services (goods) for which the Company will receive (or has received) compensation from the buyer. If the buyer pays the indemnity before the Company transfers the service to the buyer, the contractual obligation is recognized at the time of payment or at the time when the payment becomes payable (whichever occurs first). Liabilities under the contract are recognized as revenue when the Company fulfills its obligations under the contract.

### *j) Financial income/expenditure*

For all financial instruments measured at amortised cost and at fair value through profit or loss, as well as at fair value through other comprehensive income, interest income or expense are recognized using the effective interest method.

The effective interest rate is a rate that accurately discounts the expected future payments or cash inflows over the expected useful life of the financial instrument or, if applicable, a shorter period to the net carrying amount of the financial asset or liability. Interest income is recognized as finance income in the income statement.

### *j) Current income tax*

Current income tax assets and liabilities are valued at the amount expected to be refunded by the tax authorities or payable to the tax authorities.

Tax rates and tax legislation applied to calculate this amount are the rates and legislation adopted or actually adopted on a separate date in the Republic of Kazakhstan, where the Company carries out its activities and receives taxable income.

Current income tax relating to an item recognized directly in equity is recognized in equity rather than in profit or loss. The Company's management periodically assesses items reflected in tax returns, in respect of which the relevant tax legislation may be interpreted differently, and creates reserves as necessary.

*k) Other income and expenses*

Other income includes income in the form of income from the disposal of assets, foreign exchange gains, other income (fines, penalties, income from the restoration of impairment losses on financial assets).

Expenses are recognized as they arise and are recognized on an accrual basis in the financial statements in the period to which they relate. Expenses include expenses necessary to generate income (expenses included in the cost of production), general and administrative expenses, sales expenses, remuneration expenses, and other expenses arising in the ordinary course of the Company's activities.

*l) Deferred tax*

Deferred tax is calculated using the liability method by determining temporary differences at the return date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, unless:

- When the deferred tax liability arises from the initial recognition of goodwill, asset or liability in a transaction other than a business combination and does not affect either accounting profit or taxable profit or loss at the time of the transaction; or
- For taxable temporary differences related to investments in subsidiaries as well as to interests in joint ventures, if the timing of the reduction in the temporary difference can be controlled and there is a significant probability that the temporary difference will not be reduced in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that there will be taxable gains against which deductible temporary differences, unused tax credits and unused tax losses can be offset, unless:

- When a deferred tax asset relating to a deductible temporary difference arises from the initial recognition of an asset or liability that did not arise from a business combination and which, at the time of the transaction, does not affect either accounting profit or taxable profit or loss; and
- For deductible temporary differences relating to interpretations to subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be used in the foreseeable future and there will be taxable gains against which the temporary differences can be used.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is unlikely that sufficient taxable profit will be sufficient to allow all or part of the deferred tax assets to be used. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent that it is probable that future taxable profits will allow the deferred tax assets to be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the reporting year in which the asset is disposed of and the liability is settled, based on the tax rates (and tax laws) that have been assumed or actually assumed at the reporting date.

Deferred tax relating to items not recognized in profit or loss is also not recognized in profit or loss. Deferred tax items are recognized in accordance with the underlying transactions in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are set off against each other if there is a legally enforceable right to offset the current tax assets and liabilities and the deferred taxes relate to the same taxable company and tax authority.

*m) Value Added Tax (VAT)*

VAT on sales is payable to the budget at the time of shipment of goods or provision of services. VAT on purchases is subject to offset with VAT on sales when a tax invoice is received from the supplier.

Revenue, expenses and assets are recognized net of VAT, unless VAT arising from the purchase of assets or services is not reimbursed by the tax authority; in this case, VAT is recognized as part of the cost of acquiring the asset or as part of the expense item, respectively.

Tax legislation allows for VAT settlements with the budget on a net basis. Accordingly, VAT on sales and purchases, the settlements for which have not been made as of the reporting date, are reflected in the balance sheet on a net basis.

Accounts receivable and payable are recorded taking into account the amount of VAT.

The net amount of VAT refunded by the tax authority or paid to it is included in VAT refunded and prepaid for other taxes, as well as in other taxes payable reflected in the balance sheet.

***(o) Share capital***

*Ordinary shares*

Ordinary shares are classified as equity. Additional costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity.

*Dividends*

The Company recognizes an obligation to distribute cash and non-cash assets to shareholders of the parent entity when the distribution has been approved and is no longer subject to the Company's discretion. According to the legislation of the Republic of Kazakhstan, the distribution is approved by the shareholders. The corresponding amount is recognized directly in equity.

At the time of the distribution of non-monetary assets, the difference between the carrying amount of the liability and the carrying amount of the distributed assets is recognized in the income statement.

Information on dividends is disclosed in the report if they were recommended before the reporting date, as well as recommended or approved (declared) after the reporting date, but before the date of approval of the financial statements for issue.

***o) Related Parties***

Related parties include the Company's Sole Shareholder, key management personnel and entities in which a significant percentage of the voting shares are directly or indirectly owned by the Sole Shareholder or key management personnel of the Company, as well as entities controlled by the Government of the Republic of Kazakhstan (*Note 26*).

In order for users of financial statements to form an opinion on the impact of the relationship between related parties, the Company discloses information about the relationship between related parties, in cases where there is control, regardless of whether transactions between these related parties were carried out.

***p) Events after the reporting date***

Events that occurred at the end of the reporting year that provide evidence of conditions that existed at the date of preparation of the financial statements (a corrective event) are reflected in the financial statements. Events that occurred at the end of the reporting year and are not corrective events are disclosed in the notes to the financial statements if they are material.

***(c) Contingent liabilities and contingent assets***

Contingent liabilities are not recognized in the financial statements. Such liabilities are disclosed in the notes to the financial statements unless the resources constituting the economic benefits are unlikely.

Contingent assets are not recognized in the financial statements. If there is a reasonable likelihood of obtaining economic benefits associated with such assets, data on these assets are disclosed in the notes.

## 4. SIGNIFICANT JUDGMENTS AND MAJOR SOURCES OF UNCERTAINTY ASSOCIATED WITH VALUATIONS.

The preparation of the Company's financial statements requires its management to make judgments and determine estimates and assumptions at the end of the reporting period that affect the amounts of revenues, expenses, assets and liabilities presented in the statements, as well as the disclosure of information about contingent liabilities. However, uncertainty about these assumptions and accounting estimates may lead to results that may require material adjustments in the future to the carrying amount of the asset or liability for which such assumptions and estimates are made.

*(a) Accounting estimates and assumptions*

The main assumptions about the future and other major sources of uncertainty in estimates at the reporting date that could cause material adjustments to the carrying amounts of assets and liabilities during the next financial year are discussed below. The Company's assumptions and estimates are based on the initial data available to the Company at the time of preparation of the financial statements. However, current circumstances and assumptions regarding the future may change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in assumptions as they occur.

***b) Recognition and impairment of financial assets***

When calculating the allowance for impairment of financial assets, the Company applies the model of expected credit losses in accordance with the requirements of IFRS 9 Financial Instruments.

With respect to trade and other receivables, the Company applied the simplified approach provided for by the standard and calculated the expected credit losses for the entire period. The Company used a valuation allowance matrix based on its past experience of incurring credit losses, adjusted for borrower-specific forecast factors and general economic conditions. As at 31 December 2023, provisions for impairment are as follows: trade receivables in the amount of KZT 74,157 thousand (as of December 31, 2022: KZT 15,098 thousand) Note 7. The small size is due to the fact that the main customers of the Company are the state bodies of the Republic of Kazakhstan, financed from the republican budget and, accordingly, having a low credit risk.

With regard to the impairment of cash on settlement and deposit accounts with credit institutions, the Company has applied a general approach, which involves the analysis of credit risks and the calculation of impairment losses depending on the stages in which financial assets are located. Based on the calculations made in accordance with the Methodology for Calculating Provisions under IFRS 9 Financial Instruments, the Company recognized a provision for the impairment of cash in current accounts with credit institutions as of December 31, 2023 in the amount of KZT 404 thousand (in 2022: KZT 254 thousand) Note 5.

In 2019, the Company's management revised the assessment regarding the recognition/non-recognition of impairment provisions in respect of cash placed on deposits with credit institutions: since the Company immediately opens a new deposit for the next term after closing the deposit, the credit risk in respect of cash in deposit accounts with credit institutions remains. In the financial statements as at 31 December 2023, an impairment provision of KZT 11,749 thousand (2022: KZT 4,840 thousand) was recognized for these assets, note 5.

***c) Determination of the lease term under an agreement with an option to extend or an option to terminate the lease – the Company as a lessee***

The company determines the lease term as not subject to early termination of the lease period in respect of which the option to extend the lease is provided, if there is sufficient certainty that it will be exercised, or the periods in respect of which the option to terminate the lease is provided, if there is sufficient confidence that it will not be exercised.

The Company has lease agreements for land plots with a maturity of more than one year, as well as several equipment lease agreements that include an option to terminate the lease. The Company uses judgment to assess whether it has sufficient confidence that it will exercise the option to terminate the lease. In doing so, it takes into account all relevant factors that lead to an economic incentive to exercise any of the options. After the commencement date of the lease, the Company re-evaluates the lease term in the event of a significant event or change in circumstances that are within the Company's control and affects its ability to exercise (or not exercise) the option to terminate the lease (for example, a significant improvement of the leased property or a significant adaptation of the leased asset to the Company's needs).

Note 10 provides full details of leases with termination options that were not included in determining the lease term.

***d) Lease – determination of the rate of attraction of additional borrowed funds***

The Company cannot easily determine the interest rate laid down in the lease agreement. Therefore, it uses the rate of attraction of additional borrowed funds, which is the rate at which the Company could borrow

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for a similar period and with similar collateral necessary to obtain an asset with a value similar to the value of the asset in the form of the right of use in similar economic conditions. Thus, the calculation of interest requires estimates, if there are no observed rates, the Company determines the rate of attraction of additional borrowed funds using the observed initial data - according to the statistical data of the National Bank of the Republic of Kazakhstan as of the date of commencement of the lease.

*e) Contract of trust management of property*

On the basis of Contract No2/38 dated 07.11.2019, the state information system "Unified System of Electronic Document Management of State Bodies of the Republic of Kazakhstan" of the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan was transferred to trust management without the right of redemption for a period of 5 (five) years. The property, including the software product "EDEDO" with a book value of 105,254 thousand tenge and licensed software with a book value of 2,128 thousand tenge, was transferred to the Company on November 15, 2019.

On the basis of agreement No2/23 dated 02.06.2021, the information systems "E-Government Portal", "E-Government Gateway", "Mobile Government", "State Database "E-Licensing", "Payment Gateway of E-Government of State Bodies of the Republic of Kazakhstan" of the Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan were transferred to trust management without the right of redemption for a period of 5 (five) years. Property with a book value of 3,006,526 thousand tenge was transferred to the Company on June 4, 2021 within the framework of the concluded trust management agreement, the Company undertakes to ensure the activities approved by the agreement in order to develop the components of the e-Government in accordance with the Decree of the Government of the Republic of Kazakhstan No827 dated December 12, 2017. Since the ownership rights are not transferred to the Company, the Management decided to record the assets received under this agreement in the off-balance sheet accounts of reflection in the financial statements.

On the basis of contract No5 dated 24.02.2023, the Company received an information system (hereinafter referred to as the Platform), the "Unified Environmental Information System", in trust management, without subsequent redemption rights for 3 (three) years. Property with a book value of 591,563 thousand tenge. Within the framework of the concluded agreement, the Company undertakes to monitor and manage the work on the Platform. The terms of the contract are 2023-2025.

*f) Useful lives of property, plant and equipment and intangible assets*

The Company estimates the remaining useful lives of property, plant and equipment and depreciable intangible assets at least at the end of each financial year, and if expectations differ from previous estimates, the changes are accounted for as changes in estimates in accordance with IAS 8 Accounting Policies for Changes in Estimates and Errors. These estimates may have a material effect on the amounts of the carrying amount of property, plant and equipment, intangible assets and depreciation recognized in the income statement.

*g) Development costs*

Development costs are capitalized in accordance with the Company's accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is possible, generally when the project reaches a certain stage in accordance with the established project implementation model. To determine the amounts that can be capitalized, management makes assumptions about the expected cash flows from the project, discount rates and the expected time of benefit. As at 31 December 2023, the carrying amount of capitalized costs amounted to KZT 373,420 thousand (2022: KZT 53,000 thousand) Note 12.

*h) Impairment of property, plant and equipment and intangible assets*

At each reporting date, the Company determines whether there are signs of possible impairment of assets. If there is such a feature, the company calculates the recoverable amount of the asset. The recoverable amount of an asset is the higher of the fair value of the asset or cash-generating unit less costs to sell and the value of the asset. Recoverable amount is determined for an individual asset unless the asset generates cash inflows that are substantially independent of inflows generated by other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written off to the recoverable amount. In estimating value in use, expected cash flows are discounted to fair value using a pre-tax discount rate that reflects current market estimates of the time value of money and asset-specific risks.

As at December 31, 2023 and 2022, the Company determined that there are no signs of impairment of non-financial assets.

***i) Taxation***

Various Kazakh laws and regulations are not always written clearly. There may be cases of divergence of opinions between local, regional and national tax authorities. At the same time, in the event of additional assessment of additional taxes by the tax authorities, the existing amounts of fines and penalties are established in a significant amount; the amount of fines is 50% of the amount of additional tax assessment and the amount of the penalty is 1.25 of the refinancing rate of the National Bank of the Republic of Kazakhstan of the amount of untimely paid tax. As a result, fines and penalties can significantly exceed the amount of additional taxes. In view of the uncertainty noted above, the potential amount of taxes, penalties and penalties, if any, may significantly exceed the amounts currently expensed and accrued as at the reporting date. Differences between estimates and actual amounts paid, if any, could have a material effect on future operating results.

***j) Deferred taxes***

In accordance with the tax legislation of the Republic of Kazakhstan, the Company determines the obligations to calculate the payment of corporate income tax only after the expiration of the reporting period. Deferred tax is calculated on a balance sheet basis by determining temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets and liabilities is reviewed at each reporting date. Changes in the measurement of deferred tax assets and liabilities are reflected in the income statement.

## 5. CASH

As of December 31, 2023 and 2022, cash and cash equivalents in current bank accounts (KZT) are as follows:

| thousand tenge | **As of 31st of December 2023** | **As of 31st of December 2022** |
|---|---|---|
| Purchase and resale agreements (Reverse REPO) | 27 717 964 | 35 642 871 |
| Overnights | 7 800 000 | 4 640 000 |
| Cash in current accounts | 51 209 | 36 466 |
| | **35 569 173** | **40 319 337** |
| minus provision for expected credit losses | (12 153) | (5 094) |
| | **35 557 020** | **40 314 243** |

Cash flows in the Company's accounts are presented in the Cash Flow Statements for each financial year, prepared by the direct method.

In accordance with IFRS 9 Financial Instruments, as of the reporting date, expected credit losses on financial assets (cash balances in bank accounts) were estimated and an expected credit loss reserve (ECLs) was recognized in the amount of KZT 12,153 thousand, including KZT 11,749 thousand on deposits (KZT 5,094 thousand in 2022, on deposits 4,840 thousand tenge)

The movement in the allowance for expected credit losses for the period is as follows:

| **thousand tenge** | **Year 2023** | **Year 2022** |
|---|---|---|
| **As of 1st of January** | **5 094** | **18 668** |
| Accrued | 12 153 | 5 094 |
| reversed | (5 094) | (18 668) |
| **As of 31st of December** | **12 153** | **5 094** |

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## 6. OTHER SHORT-TERM FINANCIAL ASSETS

As of December 31, 2023 and 2022, other short-term financial assets (accrued interest on deposits and reverse repos) are as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| JSC "Bank CenterCredit" | - | 3 008 |
| JSC "ForteBank" | - | - |
| REPO securities | 109 136 | 112 291 |
| | **109 136** | **115 299** |

## 7. SHORT-TERM TRADE AND OTHER RECEIVABLES

As of December 31, 2023 and 2022, trade receivables are as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Trade receivables | 778 276 | 399 987 |
| Other receivables | 706 928 | 318 824 |
| | **1 485 204** | **718 811** |
| Less provision for impairment losses | (74 157) | (15 098) |
| | **1 411 047** | **703 713** |

The allowance for impairment losses on short-term receivables is determined in accordance with the allowance matrix as of December 31, 2023 and 2022, which is presented as follows:

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| **As of 1st of January** | **15 098** | **10 129** |
| Accrued | 74 157 | 15 098 |
| Written off | (15 098) | (8 941) |
| Reversed | - | (1 188) |
| **As of 31st of December** | **74 157** | **15 098** |

## 8. INVENTORIES

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Raw materials | 184 079 | 143 617 |
| Other materials | 73 682 | 64 390 |
| Fuel | 17 861 | 4 988 |
| Spare parts | 4 711 | 17 027 |
| Advertising Products | 1 924 | 4 717 |
| | **282 256** | **234 739** |
| Less allowance for impairment losses | (14 108) | (15 443) |
| | **268 149** | **219 296** |

The cost of inventory includes expenses incurred in acquiring inventory and bringing it to its current condition and location.

The movements in the reserve for impairment of inventories are presented below:

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| **As of 1st of January** | **15 443** | **18 390** |
| Accrued | - | - |
| Written off | (1 335) | (2 947) |
| **As of 31st of December** | **14 108** | **15 443** |

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## 9. OTHER CURRENT

As of December 31, 2023 and 2022, other current assets are as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Short-term advances issued | 11 992 608 | 1 755 |
| Other short-term receivables | 1 517 783 | 130 402 |
| Short-term deferred expenses | 1 087 176 | 748 678 |
| Other taxes | 1 299 641 | 788 307 |
| | **15 897 208** | **1 669 142** |

***Short-term deferred expenses:***

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Subscription services for license renewals and equipment technical support | 1 079 396 | 746 666 |
| Vehicles insurance | 1 652 | 1 335 |
| Employee insurance obligations | 6 128 | 676 |
| | **1 087 176** | **748 678** |

***Other short-term receivables:***

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Backlog of claims | 7 207 | 1 252 |
| Short-term receivables from employees | 1 185 | 8 211 |
| Other receivables | 1 509 391 | 120 939 |
| | **1 517 783** | **130 402** |

Accounts receivable includes debt from buyers and customers and guarantee opportunities for participation in the tender.

***Other taxes:***

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Value added tax refundable | 1 278 546 | 785 834 |
| Other taxes and other obligatory payments to the budget | 21 095 | 2 473 |
| | **1 299 641** | **788 307** |

## 10. RIGHT-OF-USE/LEASE LIABILITIES

The Company has lease agreements for premises, land plots, equipment that it uses in its activities. The lease term of premises is usually 1 year, the lease term of land plots is from 1 to 5 years, and the lease period of equipment is up to 4 years. The Company's obligations under lease agreements are secured by the lessor's ownership of the leased assets. Usually, the Company is not entitled to transfer or sublease leased assets, equipment lease agreements contain options to terminate the lease.

The disclosure for the right-of-use asset is presented in the table below:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| As of 1st of January | 4 866 232 | 5 607 723 |
| Recognition under the new agreement | - | 3 691 134 |
| Rental concession | - | - |
| Cost adjustment due to agreement termination | - | - |
| Accrued depreciation for the year | (3 796 223) | (4 432 625) |
| | **1 070 009** | **4 866 232** |

Lease liabilities for the reporting period are presented as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| As of 1st of January | 5 905 667 | 6 322 410 |
| Recognition under the new agreement | - | 3 691 134 |
| Rental concession | - | - |
| Cost adjustment due to agreement termination | - | - |
| Interest accrual | 447 496 | 889 506 |
| Payments | (4 736 063) | (4 997 383) |
| As of 31st December, | **1 617 100** | **5 905 667** |

Of them:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Short-term | 956 995 | 4 657 373 |
| Long-term | 660 105 | 1 248 294 |

The expenses reflected in the income statement are presented in the table below:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Depreciation expense for right-of-use assets | 3 796 223 | 4 432 625 |
| Interest expense on lease liabilities | 447 496 | 889 506 |
| **Total amount recognized in profit or loss** | **4 243 719** | **5 322 131** |

*See Annex 19 and 22*

For leases of premises with a maturity of less than 12 months and leases of low-value land plots, the Company applies derecognition exemptions provided for short-term leases and low-value assets.

## 11. FIXED ASSETS

| thousand tenge | Building | Land | Machinery and equipment | Vehicles | Other | Unfinished construction | Total |
|---|---|---|---|---|---|---|---|
| **Initial cost** | | | | | | | |
| **As of 1st of January 2022** | **896 733** | **24 970** | **16 447 878** | **257 083** | **2 492 975** | **118 487** | **20 238 126** |
| Admission | - | - | 5 015 889 | - | 604 129 | 345 852 | 5 965 870 |
| Internal movement | 35 078 | - | - | - | 471 018 | (432 890) | 73 206 |
| Disposal | - | - | (507 738) | - | (25 903) | - | (533 641) |
| **As of 31st of December 2022** | **931 811** | **24 970** | **20 956 029** | **257 083** | **3 542 219** | **31 449** | **25 743 561** |
| Admission | - | - | 11 908 566 | 168 900 | 154 831 | 846 473 | 13 078 771 |
| )Internal movement | 2 270 192 | - | (766 084) | | (1 504 108) | - | - |
| Transferred from unfinished construction | 630 718 | - | 199 504 | - | - | (830 222) | - |
| Transferred to assets for sale | (8 142) | - | - | - | - | - | (8 142) |
| Disposal | (6 925) | - | (255 731) | - | (449) | | (263 105) |
| **As of 31st of December 2023** | **3 817 654** | **24 970** | **32 042 285** | **425 983** | **2 192 493** | **47 700** | **38 551 085** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Accrued depreciation** | | | | | | | |
| **As of 1st of January 2022** | **(184 804)** | - | **(9 008 763)** | **(194 833)** | **(616 772)** | - | **(10 005 172)** |
| Accrued depreciation | (24 265) | - | (1 512 434) | (24 895) | (277 270) | - | (1 838 864) |
| Disposal | | - | 271 294 | - | 16 445 | - | 287 739 |

| thousand tenge | Building | Land | Machinery and equipment | Vehicles | Other | Unfinished construction | Total |
|---|---|---|---|---|---|---|---|
| **As of 31st of December 2022** | **(209 069)** | **-** | **(10 249 903)** | **(219 728)** | **(877 597)** | **-** | **(11 556 297)** |
| Accrued depreciation | (298 493) | - | (1 869 949) | (19 174) | (200 216) | - | (2 387 832) |
| internal movement | (740 704) | - | 351 204 | | 389 500 | - | - |
| Disposal | 6 925 | - | 254 716 | | 427 | - | 262 068 |
| **As of 31st of December 2023** | **(1 241 341)** | **-** | **(11 513 932)** | **(238 902)** | **(687 886)** | **-** | **(13 682 061)** |
| **Book value** | | | | | | | |
| **As of 31st of December 2022** | **722 742** | **24 970** | **10 706 126** | **37 355** | **2 664 622** | **31 449** | **14 187 264** |
| **As of 31st of December 2023** | **2 576 313** | **24 970** | **20 528 353** | **187 081** | **1 504 607** | **47 700** | **24 869 024** |

## 12. INTANGIBLE ASSETS

| thousand tenge | Licenses | Software | Capitalized Development | Total |
|---|---|---|---|---|
| Initial cost | | | | |
| **As of 1st of January 2022** | **1 197 885** | **2 623 541** | **92 526** | **3 913 952** |
| Admission | 69 715 | 7 916 | 148 170 | **225 801** |
| Transferred from unfinished construction | - | 153 748 | (153 748) | - |
| Disposal | (6 951) | (150 619) | (34 828) | **(192 398)** |
| Internal movement | 63 974 | - | 880 | **64 854** |
| **As of 31st of December 2022** | **1 324 623** | **2 634 586** | **53 000** | **4 012 209** |
| Admission | 354 500 | 958 234 | 320 420 | **1 633 154** |
| Transferred from unfinished construction | - | - | - | - |
| Disposal | (6 963) | (23 959) | - | **(30 922)** |
| **As of 31st of December 2023** | **1 672 160** | **3 568 861** | **373 420** | **5 614 441** |
| **Accrued depreciation** | | | | |
| **As of 1st of January 2022** | **(516 491)** | **(1 391 530)** | - | **(1 908 021)** |
| Accrued depreciation | (150 894) | (351 676) | - | **(502 570)** |
| Disposal | 5 248 | 125 007 | - | **130 255** |
| **As of 31st of December 2022** | **(662 137)** | **(1 618 199)** | - | **(2 280 336)** |
| Accrued depreciation | (152 625) | (324 732) | - | **(477 357)** |
| Disposal | 5 415 | 22 479 | - | **27 894** |
| **As of 31st of December 2023** | **(809 347)** | **(1 920 452)** | - | **(2 729 799)** |
| **Book value** | | | | |
| **As of 31st of December 2022** | **662 486** | **1 016 387** | **53 000** | **1 731 873** |
| **As of 31st of December 2023** | **862 813** | **1 648 409** | **373 420** | **2 884 642** |

## 13. SHORT-TERM TRADE AND OTHER PAYABLES

As at 31 December 2023 and 2022, trade and other payables are as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Trade payables | 21 118 955 | 15 815 530 |
| Other accounts payable | 946 963 | 185 462 |
| | **22 065 918** | **16 000 992** |

During the reporting period, trade payables were denominated in local currency.

## 14. SHORT-TERM ESTIMATED LIABILITIES

Current provisions as of December 31, 2023 and 2022 are as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Obligations to pay suppliers | 1 911 112 | 646 350 |
| Liabilities for legal claims | 17 177 | 7 895 |
| | **1 928 289** | **654 245** |

The movement on accrued liabilities is presented as follows:

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| **As of 1st of January** | **654 245** | **2 113 721** |
| Accrued | 1 910 296 | 651 018 |
| Paid | (8 247) | (14 902) |
| Classified as accounts payable | (628 005) | (2 095 592) |
| **As of 31st of December** | **1 928 289** | **654 245** |

## 15. EMPLOYEE BENEFITS

Employee benefits as of December 31, 2023 and 2022 are as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Wage arrears | 31 199 | 7 675 |
| Provision for unused vacations, bonuses and related taxes | 1 637 024 | 2 038 818 |
| | **1 668 223** | **2 046 493** |

Employee benefits include: short-term employee benefits, such as wages, annual paid leave and financial assistance for leave, paid sick leave, compensations and guarantees provided for by the labor legislation of the Republic of Kazakhstan, bonuses, reserves and other payments provided for by internal regulations.

The movement of the reserve for unused vacations, bonuses and related taxes is presented as follows:

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| **As of 1st of January** | **2 038 818** | **816 769** |
| Accrued | 348 937 | 1 919 577 |
| Used | (750 731) | (697 528) |
| **As of 31st of December** | **1 637 024** | **2 038 818** |

## 16. OTHER CURRENT LIABILITIES

As of December 31, 2023 and 2022, other current liabilities are as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Pension liability | 293 347 | 131 179 |
| Individual income tax | 200 664 | 46 835 |
| Social insurance obligations | 89 418 | 70 221 |
| Debt under writs of execution | 21 061 | 9 045 |
| Value added tax | - | 240 078 |
| Social tax | - | 62 927 |
| Others | - | 54 |
| | **604 490** | **560 339** |

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## 17. SHARE CAPITAL

As of December 31, 2023 and 2022, Share capital is as follows:

| | Number of shares in circulation | Par value (thousand tenge) |
|---|---|---|
| **As of 31st of December 2023** | 15 006 294 | 18 507 365 |
| **As of 31st of December 2022** | 10 006 294 | 13 507 365 |

The share capital as of December 31, 2022 is represented by shares in the amount of 10 006 294 pieces, issued common shares and amounts to 13 507 365 thousand tenge. On December 21, 2023, the Company decided to increase the share capital by 5 000 thousand common shares with a par value of 1,000 tenge.

The calculation of the book value per share is presented as follows:

| **thousand tenge** | **As of 31st of December 2023** | **As of 31st of December 2022** |
|---|---|---|
| Assets | 82 564 045 | 64 255 560 |
| Liabilities | (28 801 099) | (25 208 514) |
| Intangible assets | (2 884 642) | (1 731 873) |
| Authorized capital (preferred shares) | - | - |
| Total net assets for common shares (thousand tenge) | 50 878 304 | 37 315 173 |
| Number of common shares placed (amount) | 15 006 294 | 10 006 294 |
| | **3 390,05** | **3 729,17** |

Basic earnings per share are calculated by dividing net income/(loss) for the year by the weighted average number of shares outstanding during the year.

| **thousand tenge** | **Year 2023** | **Year 2022** |
|---|---|---|
| Profit after tax | 9 715 909 | 10 114 922 |
| Weighted average number of shares outstanding (amount) | 15 006 294 | 10 006 294 |
| | 0,65 | 1,01 |

## 18. REVENUE

The table below presents an analysis of the main components of revenue from the main activities of the Company:

| **thousand tenge** | **As of 31st of December 2023** | **As of 31st of December 2022** |
|---|---|---|
| Communication services (organization of virtual private networks based on wireless/satellite/terrestrial infrastructure by connecting to the network of a unified environment of government agencies, UTS GO) | 36 209 220 | 33 242 842 |
| Virtual machine allocation service (hosting) | 9 194 538 | 6 563 568 |
| Maintenance service for objects of information and communication infrastructure of "electronic government" (information systems of government agencies) | 5 118 438 | 4 596 635 |
| Services EPIR GO, SMART BRIDGE, SMART DATA UKIMET, EPS GO, RPEP and service software products | 4 921 444 | 4 237 816 |
| System and technical maintenance service for information and communication infrastructure facilities of "electronic government" (information systems and hardware and software complexes of government agencies) | 2 192 557 | 2 468 990 |
| Project management for the development of IKI EP facilities | 767 521 | 764 669 |
| Data center as a service (Data-center as Service, DCaaS, co-location) | 713 078 | 728 372 |
| System technical maintenance and support services for NUC, KUTS, DTS, TC GO, National Gateway of the Republic of Kazakhstan | 397 901 | 348 937 |
| Other services | 2 293 275 | 935 959 |
| | **61 807 972** | **53 887 788** |

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Revenue from sales is revenue from the provision of information services, system and technical services, communication services, etc. Services are provided on the territory of the Republic of Kazakhstan, contracts with Customers are concluded in Kazakhstani currency. The main customers are the state bodies of the Republic of Kazakhstan.

## 19. COST OF GOODS AND SERVICES SOLD

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| Communication services | 23 448 951 | 21 254 217 |
| Salary and deductions | 10 970 041 | 9 108 992 |
| Depreciation of the right to use asset | 3 796 223 | 4 432 625 |
| Depreciation and amortization | 2 829 849 | 2 515 566 |
| Provision expenses for unused vacations, bonuses and related taxes | 1 009 302 | 1 744 078 |
| Rental costs | 1 362 767 | 1 001 416 |
| Rental of licensed software | 872 821 | 927 780 |
| Communal expenses | 329 732 | 298 032 |
| Travel expenses | 235 516 | 233 316 |
| Insurance costs | 242 584 | 203 016 |
| Maintenance Services | 212 957 | 181 895 |
| Materials | 124 711 | 89 854 |
| Consulting and information services | 40 500 | 9 300 |
| Training | 5 516 | 17 852 |
| other expenses | 7 262 113 | 1 760 646 |
| | **52 743 583** | **43 778 585** |

## 20. ADMINISTRATIVE EXPENSES

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| Salaries and related taxes | 1 132 583 | 1 108 138 |
| Provision expenses for unused vacations, bonuses and related taxes | 92 558 | 206 226 |
| Rental expenses | 108 493 | 97 610 |
| Depreciation and amortization | 35 340 | 35 766 |
| Travel expenses | 34 179 | 21 456 |
| Audit and consulting services | 15 900 | 14 380 |
| Materials | 10 491 | 7 067 |
| Training | 7 178 | 1 783 |
| Fare | 39 139 | 26 352 |
| Others | 107 543 | 129 794 |
| **Total** | **1 583 404** | **1 648 572** |

## 21. FINANCIAL INCOME

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| Autorepo rewards | 3 914 972 | 1 996 040 |
| Rewards on deposits | 486 755 | 563 964 |
| Bond rewards | 26 | 32 |
| Discount | - | 9 922 |
| | **4 401 753** | **2 569 958** |

## 22. FINANCIAL EXPENSES

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| Rental rewards | 447 496 | 889 506 |
| | **447 496** | **889 506** |

## 23. OTHER INCOME

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| Fines and penalties | 101 036 | 199 919 |
| Income from reversal of impairment loss on financial assets | 15 098 | 8 925 |
| Income from changes in the fair value of financial instruments | 7 021 | 3 080 |
| Reversal of cash reserves | 254 | 18 668 |
| Proceeds from disposal of assets | - | 70 222 |
| Other income | 23 459 | 16 450 |
| | **146 868** | **317 264** |

## 24. OTHER EXPENSES

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| Costs of creating provisions | 17 177 | 5 406 |
| Expenses for impairment of financial instruments | 12 153 | 5 094 |
| Asset disposal expenses | 12 491 | 250 922 |
| Expenses for impairment of accounts receivable | 74 157 | 15 098 |
| other expenses | 17 805 | 16 065 |
| | **133 783** | **292 585** |

## 25. INCOME TAX EXPENSES

The main components of income tax expenses are:

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| Current tax | 855 747 | 524 319 |
| Deferred tax | 875 416 | (474 289) |
| | **1 731 163** | **50 030** |

Reconciliation of income tax applicable to accounting income before tax at the rate established by law:

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| **(Loss)/profit before tax** | 11 447 072 | 10 164 952 |
| Tax at the established rate (20%) | 2 289 414 | 2 032 990 |
| Non-deductible expenses | (558 251) | (1 982 960) |
| **Income tax expenses** | **1 731 163** | **50 030** |

Amounts of deferred tax assets (liabilities) reflected in the financial statements:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Fixed assets | (1 372 000) | (672 983) |
| Reserve for vacations, bonuses | 327 405 | 407 762 |
| Provision for doubtful claims | 14 831 | 3 020 |
| Reserve for write-off of unusable inventory items | 2 822 | 3 089 |
| Lease liabilities | 323 420 | 1 181 133 |
| Right under lease | (214 001) | (973 246) |
| Social tax | - | 12 585 |
| OSMS | 7 138 | 5 517 |
| Reserves audit and litigation | 3 435 | 1 579 |
| Emission | - | 10 |
| | **(906 950)** | **(31 534)** |

Movement of deferred tax liability in financial statements:

| thousand tenge | Year 2023 | Year 2022 |
|---|---|---|
| Balance at the beginning | (31 534) | (505 823) |
| Closing balance | (906 950) | (31 534) |
| **Difference** | **(875 416)** | **474 289** |

## 26. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these financial statements, an outside party is considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in its financial or operational decisions. Related parties are also considered to be under common control with the Company. When considering the possible relations of related parties, in each case, attention is paid to the essence of the relationship, and not just to the legal form.

Related parties include the Company's Sole Shareholder, key management personnel and entities in which a significant percentage of voting shares are directly or indirectly owned by the Sole Shareholder or key management personnel of the Company, as well as entities controlled by the Government of the Republic of Kazakhstan. Related-party transactions are the transfer of resources, services, or liabilities between related parties, regardless of whether a fee is levied.

Transactions with related parties were carried out on terms agreed upon between the parties, which are not necessarily market rates, except for certain regulated services, which are provided based on rates offered to related parties and third parties.

| thousand tenge | Accounts receivable | | Revenue | |
|---|---|---|---|---|
| Related party | Year 2023 | Year 2022 | Year 2023 | Year 2022 |
| JSC "Zerde National Infocommunication Holding" | - | 15 663 | 6 517 | - |
| "Astana IT University" LLP | - | 9 | - | - |
| Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan RSU | 706 928 | - | 5 271 064 | - |

Based on the Decree of the Government of the Republic of Kazakhstan No. 540 dated 05.08.2022 "On certain issues" National Infocommunication Holding "Zerde" JSC is subject to liquidation. On April 18, 2023, in the accounting systems of the nominee holder of Information and Accounting Center JSC and Central Securities Depository JSC, transactions were registered to write off the Company's shares from the personal account of Zerde Holding JSC.

***Remuneration for key management personnel***

Remuneration of key management personnel included in salary expense in the accompanying separate income statement amounted to KZT 120,638 thousand for the year ended 31 December 2023 (for the year ended 31 December 2022: KZT 137,614 thousand). Remuneration of key management personnel mainly consists of contractual salaries and performance-based remuneration.

## 27. FINANCIAL RISK MANAGEMENT

The financial and economic activities of the Company are subject to economic and social risks inherent in business activities in Kazakhstan. These risks may be formed under the influence of such objective factors as political decisions of the Government, economic conditions, changes in tax legislation, and other regulatory legal acts of the Republic of Kazakhstan, but the Company's management manages and monitors all fluctuations in risks in order to minimize their impact on the Company's financial results.

The main financial risks for the Company are related to credit, market, liquidity and currency risks arising from all financial instruments. Control and management of financial risks associated with the Company's operations is carried out by analyzing risk exposure by the degree and magnitude of risks.

**Credit risk**

Credit risk related to the Company's financial assets, which mainly include cash and cash equivalents, arises from the risk of possible default by counterparties. Management regularly monitors the financial reliability of counterparties using its knowledge of local market conditions.

In the opinion of the Company's Management, the total amount of credit risk is equal to the amount of current assets less provisions recognized at the reporting date. The maximum amount of possible loss as a result of credit risk is equal to the carrying amount of cash and cash equivalents, as well as financial assets.

As of December 31, 2023 and 2022, the above items are as follows:

| thousand tenge | As of 31st of December 2023 | As of 31st of December 2022 |
|---|---|---|
| Cash and cash equivalents | 35 557 020 | 40 314 243 |
| Trade receivables | 1 411 047 | 703 713 |
| Financial assets measured at amortized cost | - | 100 119 |
| Other current financial assets | 109 136 | 115 299 |
| | **37 077 203** | **41 233 374** |

The following table reflects the ratings of second-tier banks in which the Company's funds are placed according to the international rating agency "Standard & Poor's"

| thousand tenge | Rating for 2023 | Year 2023 | Year 2022 |
|---|---|---|---|
| JSC "Halyk Bank of Kazakhstan" | BB+ (BB+)/Positive | 7 851 209 | 2 276 463 |
| JSC "Bank Center Credit" | BB- (BB-)/Positive | - | 2 400 003 |
| JSC "Forte Finance" | BB (BB-)/Stable | 27 717 964 | 35 642 871 |
| | | **35 569 173** | **40 319 337** |

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### Liquidity risk

Liquidity risk is defined as the risk that the Company will face difficulties in meeting financial obligations. The Company is exposed to risk due to the daily need to use the available funds. The management monitors the Company's cash flow forecasts on a monthly basis. The Company satisfies the need for liquidity by proceeding from the repayment of accounts receivable. The Company monitors the risk of a shortage of funds using the current liquidity planning tool. This instrument takes into account the maturity of financial investments and financial assets, as well as projected cash flows from operating activities.

The following tables reflect the Company's contractual terms for its non-derivative financial assets and financial liabilities. The tables have been compiled on the basis of the undiscounted contractual terms of financial assets that will be received on these assets, unless the Company expects that cash flows will be received on these assets, unless the Company expects that cash flows will occur in another period and movements cash flows for financial liabilities based on the earliest date on which payment could be required from the Company.

| As of 31st of December 2023 | Up to 1 year | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 35 557 020 | - | - | 35 557 020 |
| Trade receivables | 1 411 018 | 29 | - | 1 411 047 |
| Financial assets measured at amortized cost | - | - | - | - |
| Other current financial assets | 109 136 | - | - | 109 136 |
| | **37 077 174** | **29** | - | **37 077 203** |
| **Financial obligations** | | | | |
| Trade payables | 22 065 918 | - | - | 22 065 918 |
| Lease liabilities | 956 995 | 660 105 | - | 1 617 100 |
| | **23 022 913** | **660 105** | - | **23 683 018** |
| **Total** | **14 017 469** | **(623 284)** | - | **13 394 185** |

| As of 31st of December 2022 | Up to 1 year | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|
| Cash and cash equivalents | | | | |
| Trade receivables | 40 314 243 | - | - | 40 314 243 |
| Financial assets measured at amortized cost | 703 713 | - | - | 703 713 |
| Other current financial assets | 100 119 | - | - | 100 119 |
| | 115 299 | - | - | 115 299 |
| **Financial obligations** | **41 233 374** | - | - | **41 233 374** |
| Trade payables | | | | |
| Lease liabilities | 16 000 992 | - | - | 16 000 992 |
| | 4 657 373 | 1 248 294 | - | 5 905 667 |
| **Total** | **20 658 365** | **1 248 294** | - | **21 906 659** |
| Cash and cash equivalents | **20 575 009** | **(1 248 294)** | - | **19 326 715** |

### Currency risk

The Company is exposed to currency risk when carrying out sales and purchase transactions denominated in a currency other than the functional currency of the Company. The Company does not use hedging instruments to minimize the impact on financial results from currency fluctuations.

| *thousand tenge* | Tenge | US Dollar | Euro | Total |
|---|---|---|---|---|
| **As of 31st of December 2023** | | | | |
| Cash equivalents | 35 557 020 | - | - | 35 557 020 |
| Short-term receivables | - | - | - | - |
| Trade payables and other debts | (22 065 918) | - | - | (22 065 918) |
| | **13 491 102** | - | - | **13 491 102** |

| thousand tenge | Tenge | US Dollar | Euro | Total |
|---|---|---|---|---|
| As of 31st of December 2023 | | | | |
| Cash equivalents | 40 314 243 | - | - | 40 314 243 |
| Short-term receivables | - | - | - | - |
| Trade payables and other debts | (15 988 645) | (12 347) | - | **(16 000 992)** |
| | **24 325 598** | **(12 347)** | - | **24 313 251** |

**Money Management**

The Company's objective in the field of capital management is to maintain its ability to continue operations in accordance with the principle of going concern, providing income for the shareholder and benefits for other stakeholders, as well as to maintain an optimal capital structure to reduce its value.

The Company manages the capital structure and changes it in accordance with changes in economic conditions and the requirements of contractual conditions. The capital structure is represented by retained earnings and authorized capital. The Company complies with the requirements established by the Law of the Republic of Kazakhstan "On Joint-Stock Companies" for the minimum amount of capital.

The Company did not make any changes to its goals, policies, or capital management processes in 2023 and 2022.

## 28. CONTINGENT LIABILITIES

**Operating environment**

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

**Trials**

In the ordinary course of business, the Company is a party to litigation and lawsuits. The Company's management believes that the final liability, if any, based on the results of these litigations and claims, will not have a significant impact on these financial statements, nor on the current financial position of the Company, as well as on the results of the Company's financial and economic activities in the foreseeable future, except for the provision for legal claims, in the financial statements in the amount of KZT 17,177 thousand (2022: KZT 7,895 thousand), see note 14.

In management's opinion, there are no ongoing litigation or unresolved claims that could have a material adverse effect on certain financial results or the financial position of the Company that have not been accrued or disclosed in these separate financial statements.

**Contingent tax liabilities**

The Company is subject to uncertainties related to the determination of tax liabilities for each reporting period. Since the current tax system and tax legislation operate for a relatively short period of time, these uncertainties are more significant than those usually inherent in countries with more developed tax systems. The laws relating to the applicable taxes are not always clearly spelled out, and the legislation, which is constantly evolving, has different and changing interpretations, and is applied directly.

Uncertainty in the application and development of tax legislation creates a risk that the Company will have to pay additional taxes, which may have a significant negative impact on the Company's financial position and the results of its activities.

The tax authorities have the right to charge additional taxes within three years after the end of the relevant tax period in relation to all taxes.

Management believes that the Company, in general, complies with the requirements of tax legislation and the terms of the concluded contracts relating to taxes, which affect its activities and that, therefore, no additional tax liabilities arise. However, for the reasons stated above, there is a risk that the relevant state authorities may interpret contractual provisions and tax law requirements differently. However, due to the uncertainties described above in the measurement of any potential additional tax liabilities, it is not possible for management to make estimates of any additional tax liabilities that may arise, together with any related fines and penalties for which the Company may be liable.

**Commitment to the environment**

The Company is subject to the application of various laws and regulations of the Republic of Kazakhstan on environmental protection issues. Management is confident that the Company complies with all the requirements of such laws and regulations, but the possibility of unforeseen liabilities cannot be ignored.

## 29. EVENTS THAT OCCURRED AFTER THE REPORTING DATE

*Floods that occurred in the country*

On April 6, 2024, President of Kazakhstan Kassym-Jomart Tokayev, during his address to the residents of the country, said that a state of emergency had been declared in 10 (ten) regions of the country, due to the scale of floods. At the moment, the country remains in a difficult flood situation.

*Election of members of the Public Council*

By the decision of the meeting of the Working Group on the formation of the Public Council of JSC 'National Information Technologies' №2 dated 5 April 2024, the members of the Public Council of JSC 'National Information Technologies' were elected.

In accordance with the Law of the Republic of Kazakhstan 'On Public Councils', on 9 April 2024 №126 Order of the Chairman of the Management Board of the Company approved the composition of members of the Public Council of JSC 'National Information Technologies'.

*Increase in share capital*

By the order of the Ministry of Digital Development of Innovations and Aerospace Industry of the Republic of the Kazakhstan №210/NQ dated 08.04.2024, in accordance with subparagraph 3) of paragraph 1 of Article 36 of the Law of the Republic Kazakhstan 'On Joint Stock Companies', subparagraph 2) of paragraph 2 of Article 177 of the Law of the Republic of Kazakhstan 'On State Property', Resolution of the Government of the Republic of Kazakhstan dated 20 March 2024, №208 'On allocation of funds from the reserve of the Government of the Republic of Kazakhstan' and the letter of the State Property and Privatisation Committee of the Ministry of Finance of the Republic of Kazakhstan dated 5 April 2024 № KGIP-03-KG/3607 made a decision to increase the number of declared shares of the joint-stock company 'National Information Technologies' in the amount of existing 15 036 080 (fifteen million thirty six thousand eighty) common shares by 27 620 142 (twenty seven million six hundred and twenty thousand one hundred and forty two) shares.

The above event did not affect the results of the Company's financial activities.

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