

National Guarantee Company
KazTransitService LLP

Financial statements
for the year ended
December 31, 2024
with independent
auditor's report

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Management confirmation of responsibility for the preparation and approval of financial statements for the year ended December 31, 2024

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report, is made with a view to distinguishing the respective responsibilities of the auditors in relation to the financial statements of National Guarantee Company KazTransitService LLP (hereinafter – the Company).

The management of the Company is responsible for the preparation of these financial statements, which faithfully reflects in all material respects the financial position of the Company At 31 December 2024, as well as the results of its operations, cash flows and changes in equity for the period ended on that date, in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- applying reasonable estimates and judgments;
- complying with IFRS, or disclosing all material departures from IFRS in the notes to the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

The management is also responsible for:

- development, implementation and maintenance of an effective and reliable system of internal control of the Company;
- maintaining records in a form that allows you to disclose and explain the transactions of the Company, as well as provide at any date information of sufficient accuracy about the financial position of the Company and ensure that financial statements comply with IFRS;
- accounting in accordance with the legislation of the Republic of Kazakhstan and IFRS;
- taking all reasonably possible measures to ensure the safety of the assets of the Company; and
- identification and prevention of facts of financial and other abuses.

These financial statements for the year ended December 31, 2024 were approved by the management of the Company on January 30, 2025, and have been signed on its behalf by:


A.M. Yerkebayev
General Director



Almaty, Republic of Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the members and management of NGC KazTransitService LLP

Opinion

We have audited the financial statements of National Guarantee Company KazTransitService LLP (hereinafter – the Company), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Responsibilities of the Auditor for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the Code) and the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other ethical responsibilities as set out in those requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Significant uncertainties relating to going concern

We draw attention to Note 2 to the financial statements which indicates that the accumulated loss amounted to 229,319 thousand tenge as at 31 December 2024 (2023: 212,014 thousand tenge), the Company's current liabilities exceeded its current assets by 132,569 thousand tenge (2023: 115,264 thousand tenge). These matters or conditions, as well as other stated circumstances, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. We do not express a modified opinion in connection with this matter.

Other information

The financial statements of the Company for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion thereon on January 26, 2024.

Responsibilities of management and those responsible for corporate governance for financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for the internal control system that management considers necessary to prepare financial statements that are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue to operate continuously, for disclosing, as appropriate, information related to business continuity, and for preparing statements based on the going concern assumption, unless management intends to liquidate the Company, terminate its activity or when it does not have any other real alternative, except liquidation or termination of activity.

Those responsible for corporate governance are responsible for overseeing the preparation of the financial statements of the Company.

Responsibilities of the auditor for the audit of financial statements

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

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

- we identify and assess the risks of material misstatement of the financial statements due to fraud or error; we develop and conduct audit procedures in response to these risks; we obtain audit evidence that is sufficient and appropriate to serve as the basis for our opinion. The risk of not detecting material misstatement as a result of fraud is higher than the risk of not detecting material misstatement as a result of an error, as fraud can include conspiracy, forgery, intentional omission, misrepresentation of information or actions that bypass the internal control system;
- we gain an understanding of the internal control system that is relevant to the audit, with the aim of developing audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system;
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management;
- we conclude that it is legitimate for management to apply the going concern assumption, and based on the audit evidence obtained, it concludes that there is significant uncertainty in connection with events or conditions that could result in significant doubts about the Company's ability to continue its business. If we conclude that there is material uncertainty, we must draw attention in our audit report to the appropriate disclosures in the financial statements or, if such disclosures are inappropriate, to modify our opinion.

Our findings are based on audit evidence obtained prior to the date of our audit opinion. However, future events or conditions may cause the Company to lose its ability to continue to operate continuously;

- we evaluate the presentation of the financial statements as a whole, its structure and content, including disclosure of information, as well as whether the financial statements represent the underlying operations and events in such a way that their reliable presentation is ensured.

We carry out informational interaction with persons responsible for corporate governance, bringing to their attention, among other things, information about the planned volume and timing of the audit, significant observations on the results of the audit, as well as significant shortcomings of the internal control system that we identify during the audit.



The state license for engaging in audit activities in the Republic of Kazakhstan No.24017401, issued by the Committee of Internal State Audit of the Ministry of Finance of the Republic of Kazakhstan on April 26, 2024.



The qualification certificate of the auditor No. MF-00001327 dated January 15, 2021.

January 30, 2025
Almaty, Republic of Kazakhstan



MEMBER

FORUM



NGC KAZTRANSITSERVICE LLP
STATEMENT OF FINANCIAL POSITION
on December 31, 2024

thousand tenge	Note	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	-	-
Intangible assets		54	54
Total non-current assets		54	54
Current assets			
Cash and cash equivalents	5,7	111	111
Other claims	5,8	-	17,305
Total current assets		111	17,416
TOTAL ASSETS		165	17,470
EQUITY AND LIABILITIES			
Equity			
Authorized capital	9	96,804	96,804
Accumulated loss		(229,319)	(212,014)
Total equity		(132,515)	(115,210)
Current liabilities			
Short-term financial liabilities	10	132,680	132,680
Total current liabilities		132,680	132,680
TOTAL EQUITY AND LIABILITIES		165	17,470

On behalf of the Company's management:



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The notes on pages 5-16 are integral part of these financial statements



thousand tenge	Note	2024	2023
Revenue		-	-
Cost of goods sold		-	-
Gross profit		-	-
Administrative expenses		-	-
Impairment losses	5,8	(17,305)	-
Loss before tax		(17,305)	-
Income tax expense		-	-
Net loss for the year		(17,305)	-
Other comprehensive income		-	-
Total comprehensive loss for the year		(17,305)	-



 A.M. Yerkebayev
 General Director
 «КазТранзитСервис»
 January 30, 2025



NGC KAZTRANSITSERVICE LLP
STATEMENT OF CHANGES IN EQUITY
for the year ended December 31, 2024

thousand tenge	Authorized capital	Accumulated loss	Total equity
At 1 January 2023	96,804	(212,014)	(115,210)
Profit/(loss) for the year	-	-	-
At 31 December 2023	96,804	(212,014)	(115,210)
Net loss for the year	-	(17,305)	(17,305)
At 31 December 2024	96,804	(229,319)	(132,515)

On behalf of the Company's management:


A.M. Yerkebayev
General Director



January 30, 2025


The notes on pages 5-16 are integral part of these financial statements



NGC KAZTRANSITSERVICE LLP
STATEMENT OF CASH FLOWS
for the year ended December 31, 2024

thousand tenge	2024	2023
Cash flows from operating activities		
Salary payments	-	-
Other payments	-	-
Taxes and other payments to the budget	-	-
Net cash flows from operating activities	-	-
Cash flows from investing activities		
Remuneration received	-	-
Net cash flows from investing activities	-	-
Cash flows from financing activities		
Loans received	-	-
Net cash flows from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	111	111
Cash and cash equivalents on December 31	111	111

On behalf of the Company's management:


A.M. Yerkebayev
General Director



January 30, 2025

The notes on pages 5-16 are integral part of these financial statements



NGC KAZTRANSITSERVICE LLP
Notes to the financial statements
for the year ended December 31, 2024

1. GENERAL INFORMATION

NGC KazTransitService LLP (hereinafter – the Company) is a limited liability partnership registered in the Republic of Kazakhstan. The Company was incorporated on March 18, 2016.

The principal activity of the Company is the provision of surety services as a means of securing payment of customs duties and taxes.

The legal address of the Company is 22 Abay Street, Saryarka district, Astana, Kazakhstan, zip code 010000.

The founders of the Company are Fund of Problem Loans JSC and TCC Company LLP (see note 9).

The Company is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by companies operating in Kazakhstan.

The financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

Basis of presentation

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss.

Going concern principle

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company's current liabilities exceeded its current assets by 132,569 thousand tenge as at 31 December 2024 (2023: 115,264 thousand tenge), accumulated loss amounted to 229,319 thousand tenge (2023: 212,014 thousand tenge).

During the 2024-2023 period, the Company had no operating activities and these circumstances indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern for the foreseeable future.

The Company's management intends to address the going concern issue by obtaining additional financing from related parties and thereby providing sufficient liquidity to continue operations beyond 2024. However, there are risks and uncertainties, many of which are beyond management's control, that could result in a different outcome.

Therefore, these financial statements do not include adjustments related to recoverability and classification of assets and classification of liabilities that would be necessary if additional resources were not available and the Company was unable to continue as going concern.

Functional and presentation currency

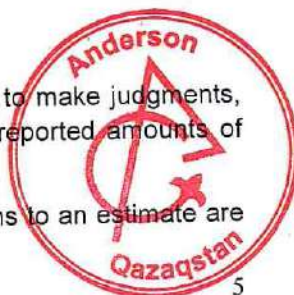
The national currency of the Republic of Kazakhstan is the Kazakhstani tenge, which is the functional currency of the Company.

The currency in which these financial statements are presented is Kazakhstani tenge. All financial information presented in Kazakhstani tenge has been rounded to the nearest thousand, unless otherwise stated (hereinafter – thousand tenge).

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to an estimate are recognized in the period in which the estimate is revised and in future periods affected.



2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Fair value measurement

The Company has a control framework in place for fair value measurements. The control framework includes a valuation team with oversight responsibility for significant fair value measurements, including Level 3 fair value measurements.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, the valuation team evaluates the evidence obtained from the third parties to confirm that the measurement is consistent with IFRSs, including categorization of the level of fair value in the fair value hierarchy.

In estimating the fair value of any asset or liability, the Company uses market observable inputs to the extent possible. Fair values are categorized into different levels within the fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability can be categorized in different levels of the fair value hierarchy, then the measurement is categorized entirely within the same level of the fair value hierarchy as the lowest level among the significant inputs to the valuation.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurs.

Additional information about the assumptions made in measuring fair value is included in Note 11.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS

New and amended IFRS standards effective for the current year:

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures Related to Supplier Finance Arrangements

The amendments introduce a disclosure objective in IAS 7 that requires an entity to provide information about its supplier finance arrangements that enables users of financial statements to evaluate the effect of those arrangements on the entity's liabilities and cash flows.

In addition, IFRS 7 was amended to add that supplier finance arrangements are included in the list of factors that require disclosure of liquidity concentration risk.

The amendments contain specific transitional provisions applicable in the first annual reporting period in which the Company first applies the amendments. Under these transitional provisions, the entity is not required to disclose:

- comparative information for reporting periods prior to the first period in which the amendments are applied;
- the information required by IAS 7:44H(b)(ii)-(iii) at the beginning of the first reporting period in which the entity first applies the amendments.

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

The amendments relate solely to the presentation of liabilities as current or non-current in the statement of financial position and do not affect the recognition of assets, liabilities, income or expense, or the disclosures in respect of those items.

The amendments clarify that the classification of a liability as current or non-current is based on rights existing at the end of the reporting period, rather than on expectations about whether an entity will exercise its right to defer settlement of the liability. It also clarifies that rights are considered to exist when the entity is in compliance with covenants at the end of the reporting period and introduces a definition of extinguishment to mean the transfer of cash, equity instruments, other assets or services to a counterparty.



3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS, CONTINUED

Amendments to IAS 1. Presentation of Financial Statements – Non-current Liabilities with Covenants

The amendments specify that only covenants that the entity is required to comply with before or at the end of the reporting period affect the entity's right to defer settlement of the liability for at least twelve months after the reporting date (and, accordingly, should be considered when classifying liabilities as current or non-current). These covenants affect the entity's eligibility at the end of the reporting period, even if actual compliance with the covenant is not assessed until after the reporting date (e.g., if the covenant is linked to the entity's financial position at the reporting date, but compliance is only subsequently verified).

The IASB also clarified that if an entity is only required to comply with a covenant after the reporting period, its right to defer settlement of a liability for more than 12 months after the reporting date is not at risk. However, if an entity's right to defer settlement of a liability is contingent on meeting covenants within twelve months after the reporting period, the entity must disclose information that enables users of the financial statements to understand the possible risk of early settlement of the liability. Such information should include: a description of the covenants (their nature and timing); the carrying amount of the related obligations; and factors and circumstances that indicate potential difficulties in meeting the covenants.

Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 introduce requirements for subsequent measurement of lease liabilities in sale and leaseback transactions that qualify for sale recognition under IFRS 15 Revenue from Contracts with Customers. The amendments require a lessee-seller to determine lease payments or revised lease payments in a manner that eliminates the recognition of a gain or loss relating to the retained right to use the asset after the commencement date.

The amendments do not affect the gain or loss recognized by a seller-lessee related to the partial or complete termination of a lease. Without the requirements introduced, a lessee-seller could recognize gain on the right-of-use remaining in its possession solely because of the remeasurement of the lease liability (e.g., as a result of a change in lease terms). This is particularly relevant for leaseback transactions involving variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB also amended one of the illustrative examples in IFRS 16 and added a new example that demonstrates the subsequent measurement of assets and liabilities in sale and leaseback transactions involving variable lease payments. The examples also clarify that a liability arising from a sale and leaseback transaction that qualifies as a sale under IFRS 15 is a lease liability.

The amendments are applied retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

These amendments did not have a significant impact on the disclosures presented or the amounts recognized in the financial statements

New and revised IFRS standards issued but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS standards that have been issued but are not yet effective:

Amendments to IAS 21	Lack of Exchangeability
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

The Company's management does not expect the adoption of these standards to have a material impact on the Company's financial statements in future periods

4. SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated into Kazakhstani tenge at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Kazakhstani tenge at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into tenge at the exchange rate at the date when the fair value was determined. Exchange differences arising on translation are recognized in profit or loss.



4. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when incurred. All other financial assets and liabilities are recognized on the date on which the Company becomes a party to the contractual provisions of the instrument.

The financial asset (unless it is a trade receivable that does not contain a significant financing component) or financial liability is initially measured at fair value.

Trade receivables that do not contain a significant financing component are measured at the transaction price.

Classification and subsequent measurement

Upon initial recognition, the financial asset is classified as a financial asset to be measured:

- At amortized cost.
- At fair value through other comprehensive income.
- At fair value through profit or loss.

The classification depends on the business model in which the Company manages its financial assets and the contractual cash flow characteristics of the asset. The financial asset is measured at amortized cost if it is held within a business model whose objective is to collect cash flows and the asset's contractual terms require cash flows that are solely payments of principal and interest on the principal outstanding.

Financial asset at fair value through other comprehensive income includes equity instruments that the Company intends to hold to achieve its strategic objectives.

Financial asset at fair value through profit or loss is used for all other cases.

Financial liabilities are measured at amortized cost, except for those that the Company has classified as at fair value through profit or loss.

Changes in the classification and re-measurement of financial assets or liabilities are recognized at each reporting date.

Financial assets

General provisions

Financial assets that do not meet the criteria for measurement at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This rule applies in particular to derivative financial instruments.

The Company has the option, at initial recognition, to designate a financial asset that meets the criteria to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so would eliminate or significantly reduce an accounting mismatch.

Business model valuation

The Company analyzes the objectives of the business model under which financial assets are held. This analysis is based on:

- The policies and objectives established for the portfolio, including intended actions (e.g., generating income in the form of contractual cash flows or realizing assets).
- The ways in which portfolio performance is measured and the methods of reporting to the Company's management.
- Risks associated with the business model (including the management of those risks).
- Portfolio management practices, including the typical frequency, volume and timing of asset-related transactions.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered to be evidence that the Company is holding the assets outside the originally stated business model.

Estimation of cash flows

In order to analyze whether a financial asset meets the criteria for measurement at amortized cost, the Company tests whether the contractual cash flows are solely payments of principal and interest on the outstanding portion of that amount. In doing so:



4. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Principal represents the value of the financial asset at the time of recognition less principal payments.

Interest reflects compensation for the time value of money, credit risk, and other costs associated with holding the asset.

If the cash flows contain elements that are not payments of principal and interest (for example, embedded derivatives), the asset is measured at fair value through profit or loss.

Valuation of financial assets

In performing the valuation of financial assets, the Company analyzes the following aspects:

- Contingent events: events that may change the timing or amount of cash flows.
- Rate adjustment terms: terms that may adjust the contractual coupon rate, including variable rate terms.
- Early redemption terms: terms for early redemption and maturity extension.
- Cash flow restrictions: terms that limit the Company's claims to cash flows from specified assets (e.g., non-recourse financial assets).

An early redemption condition qualifies for SPPI (principal and interest payments) if the amount paid on early redemption includes:

- The unpaid portion of principal and interest on the unpaid portion.
- Additional compensation for early termination of the agreement.

A prepayment condition is also recognized as SPPI compliant if the discounting required to calculate the compensation is applied.

Financial assets: subsequent measurement and recognition of gain or loss

Financial assets at fair value through profit or loss

These assets are measured at fair value. Net profit or loss, including interest or dividend income, is recognized in profit or loss.

Financial assets measured at amortized cost

These assets are measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses.

Income and expense, including interest income and income and expenses from foreign exchange differences, are recognized in profit or loss.

Financial liabilities: classification, subsequent measurement and recognition of profit or loss

Classification

Financial liabilities are classified as measured liabilities:

- At amortized cost.
- At fair value through profit or loss.

Measurement

Financial liabilities measured at amortized cost are accounted for using the effective interest method.

Financial liabilities classified as at fair value through profit or loss recognize changes in value in profit or loss.

Special conditions

If necessary, the financial liability may be reclassified or renegotiated, which will also affect the financial result. Exceptions apply to derivative financial instruments, which are always measured at fair value.



NGC KAZTRANSITSERVICE LLP
Notes to the financial statements
for the year ended December 31, 2024

4. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Modification of terms and conditions of financial assets and financial liabilities

Financial assets

If the terms of the financial asset are modified, the Company assesses whether the cash flows of the modified asset are significantly different. If the changes are considered significant (a so-called significant modification of terms), the rights to the contractual cash flows of the original financial asset are deemed to be lost. In this case, the original asset is derecognized and the new financial asset is recognized at fair value.

In making this assessment, the Company analyzes whether the cash flows have changed quantitatively and qualitatively, as these changes are the ones that determine whether a significant modification has occurred. If significant changes in cash flows are identified, the previous asset is derecognized and a new asset is recognized. Otherwise, the current asset is adjusted.

The Company considers the following qualitative factors to determine a significant modification:

- Changing the currency of financial assets.
- Changes to collateral or other enhancements to the asset.
- Change in the terms of financial asset that results in non-compliance with SPPI criteria (e.g., adding new conversion clauses).

If the changes are not significant, financial assets measured at amortized cost are not derecognized. Amortized cost is restated and the difference between the previous cost and the restated cost is recognized in profit or loss.

Financial liabilities

The Company derecognizes financial liabilities when the terms of the financial liability are modified to the extent that the former cash flows from the liability are no longer expected. In that case, the previous liability is derecognized and a new liability is recognized at fair value.

Any expense or income relating to a change in the terms of a liability is recognized in profit or loss.

If modifying the terms (or replacing financial liability) does not result in derecognition of the financial liability, the Company applies an accounting policy consistent with the approach for adjusting the gross carrying amount of the financial asset or liability. If the modification of terms and conditions does not result in derecognition of the financial asset, the adjustment to the carrying amount is recognized in profit or loss on the date of modification.

Changes in the cash flows on existing financial liabilities are not considered a modification of terms if they result from the current contractual terms.

Assessing the significance of changes

The Company conducts a quantitative and qualitative assessment as to whether the modification of terms and conditions is significant. The assessment includes qualitative and quantitative factors. A modification is considered significant if the following criteria are met:

Change in the currency of the financial liability.

The change in the type of collateral or other means of enhancing the quality of the liability.

Adding conversion conditions.

Change in the subordination of financial liability.

For quantitative assessment, conditions are considered significant if:

The present value of the cash flows under the new terms, including fees and commissions, differs by 10% or more from the value of the remaining cash flows of the original liability.

Changes are accounted for as extinguishments. All costs are recognized as part of profit or loss.

Derecognition

Financial assets

The Company derecognizes the financial asset if:

- The rights to the cash flows from the asset are forfeited.
- The asset has been transferred and the Company no longer retains control over the rights.



NGC KAZTRANSITSERVICE LLP
Notes to the financial statements
for the year ended December 31, 2024

4. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Financial liabilities

The Company derecognizes the financial liability if:

- All liabilities to the creditor are discharged.
- There is a substitution of terms that meets the requirements for derecognition.

The Company derecognizes the financial liability when the contractual obligations under the liability are discharged, cancelled or expire. Derecognition also occurs when the terms of a liability are modified and the cash flows on the modified liability are substantially different. In such cases, a new financial liability based on the modified terms is recognized at fair value.

On derecognition of the financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-monetary assets transferred or liabilities assumed) is recognized in profit or loss.

Disclosure of impairment

Provisions for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities carried at FVOCI, a provision is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

Impairment losses on trade and other receivables, including contract assets, are recognized separately in the statement of profit or loss and other comprehensive income.

Impairment losses on other financial assets are recognized as financial expenses in the same way as under IAS 39 and are not presented separately in the statement of profit or loss and other comprehensive income for materiality reasons.

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, where required. Initial cost comprises the purchase price, including import duties and unrecovered taxes on acquisitions, net of trade discounts and returns, and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. The initial cost of self-constructed assets includes the cost of materials consumed, production work performed and a proportion of production overheads.

Expenses related to minor repairs and day-to-day maintenance are expensed in the current period. Expenses incurred to replace major parts or components of property, plant and equipment are capitalized and the replaced part is retired.

Profit or loss on disposal of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognized in profit or loss for the year.

Depreciation

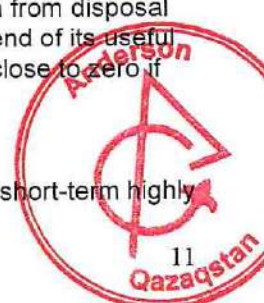
Land and construction in progress are not depreciated. Depreciation of the cost of each item of property, plant and equipment is calculated using the straight-line method to allocate its cost to its residual value over its estimated useful life, as follows:

	Useful life (years)
Buildings and constructions	10 - 20 years
Vehicles	5 years
Machinery and equipment	5 years
Other	5 years

The residual value of asset is the estimated amount that the Company would currently obtain from disposal of the asset after deducting the estimated costs of disposal, if the asset were already at the end of its useful life and in the condition expected at the end of its useful life. The residual value of assets is close to zero if the Company expects to use the asset until the end of its physical useful life.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original contractual maturities of three months or less.



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4. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and cash equivalents are carried at amortized cost because they are held to collect contractual cash flows, the cash flows represent solely payments of principal and interest, and they are not designated at fair value through profit or loss.

Loans and borrowings

Loans and borrowings are initially recognized at fair value less transaction costs incurred and subsequently at amortized cost using the effective interest method.

Capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of asset that necessarily takes a substantial period of time to get ready for its intended use or sale (qualifying asset) are capitalized as part of the cost of that asset. The commencement date for capitalization occurs when the Company incurs expenditures related to a qualifying asset; it incurs borrowing costs; and it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Capitalization of borrowing costs continues up to the date when substantially all the work necessary to prepare the asset for its intended use or sale has been completed.

Provisions for liabilities and charges

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is charged to interest expense in financial expenses.

Liabilities for mandatory payments and levies, such as taxes other than income taxes and duties, are recognized when an obligating event occurs that triggers a legal obligation to pay such payments, even if the calculation of such mandatory payments is based on data from a period prior to the period when the obligation to pay arises. In case of payment of a mandatory payment before the obligating event, a prepayment shall be recognized.

5. COMPARATIVE DATA

When the presentation of the separate financial statements changes during the year, comparative figures are restated to conform to the new presentation.

Therefore, the Management of the Company has decided to reclassify the following financial statements of the Company as at 31 December 2023:

Statement of financial position as at 31 December 2023:

thousand tenge	Amount before reclassification	Reclassification	Amount after reclassification
ASSETS			
Cash and cash equivalents	17,416	(17,305)	111
Other claims	-	17,305	17,305
Total assets	17,416	-	17,416

Statement of cash flows for the year ended 31 December 2023:

thousand tenge	Amount before reclassification	Reclassification	Amount after reclassification
Cash and cash equivalents at 1 January 2023	17,416	(17,305)	111
Cash and cash equivalents at 31 December 2023	17,416	(17,305)	111



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6. PROPERTY, PLANT AND EQUIPMENT

thousand tenge	Machinery and equipment	Computers	Other	Total
Initial cost				
At 1 January 2023	2,375	4,948	2,232	9,555
At 31 December 2023	2,375	4,948	2,232	9,555
At 31 December 2024	2,375	4,948	2,232	9,555
Accumulated depreciation				
At 1 January 2023	(2,375)	(4,948)	(2,232)	(9,555)
At 31 December 2023	(2,375)	(4,948)	(2,232)	(9,555)
At 31 December 2024	(2,375)	(4,948)	(2,232)	(9,555)
Residual value				
At 31 December 2023	-	-	-	-
At 31 December 2024	-	-	-	-

As at 31 December 2024 and 2023 all property, plant and equipment was fully depreciated and had not been written down

7. CASH AND CASH EQUIVALENTS

thousand tenge	2024	2023
Cash in current accounts	111	111
	111	111

8. OTHER CLAIMS

thousand tenge	2024	2023
Restricted funds	18,715	18,715
Expected credit losses	(18,715)	(1,410)
	-	17,305

The article represents funds on the settlement account with Astana Bank JSC, which was recognized as subject to forced liquidation by the decision of the Specialized Interdistrict Economic Court of Almaty city dated November 26, 2018. This decision came into legal force on January 9, 2019. Payments to depositors are made through the Kazakhstan Deposit Guarantee Fund (KDGF) through the agent bank – Eurasian Bank JSC. At the moment, the liquidation commission continues to work on settlements with the creditors of the second turn.

Movements in provision for impairment:

thousand tenge	2024	2023
At 1 January	1,410	1,410
Accrued	17,305	-
At 31 December	18,715	1,410

9. AUTHORIZED CAPITAL

Paid-in capital

The distribution of members' interests and contribution amounts as at 31 December 2024 is as follows:

Name of members	Share of participation	Contribution amount (thousand tenge)
Fund of Problem Loans JSC	50%	48,402
TTC Company LLP	50%	48,402
	100%	96,804

As stated in Note 14, the Board of Directors of Fund of Problem Loans JSC made a decision on December 18, 2024 at the meeting of the Board of Directors to acquire 50% of the interest in the authorized capital of NGK KazTransitService LLP from the second member TTC Company LLP by entering into a gift agreement. At the date of approval of these financial statements, the agreement on the transfer of share between the members has not been formalized and has not entered into force.

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10. SHORT-TERM FINANCIAL LIABILITIES

The Company has short-term financial liabilities of 132,680 thousand tenge as at 31 December 2024 and 2023.

During 2020-2022, the Company received interest-free, tenge denominated, temporary repayable financial assistance from related parties of the second member TTC Company LLP (AvtoTek LLP and Universal Provider Kazakhstan LLP).

The Company's liabilities are past due at the reporting date and the Management of the Company is negotiating with the lenders to extend the term of the temporary financial assistance agreements.

11. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Reporting classification and fair value

The Company's management believes that the fair value of the Company's financial assets and liabilities approximates their carrying amounts.

Financial risk management

The use of financial instruments exposes the Company to the following types of risk:

- credit risk;
- liquidity risk;
- market risk.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing these risks. Additional quantitative disclosures are included throughout these financial statements.

Basic principles of risk management

The General Director has overall responsibility for the organization and oversight of the Company's risk management framework. The management is responsible for the development and oversight of the Company's risk management policy. The General Director regularly reports on the Company's performance to the shareholder.

The Company's financial instruments include cash and cash equivalents and other receivables.

Exposure to credit risk, market risk and liquidity risk arises in the normal course of the Company's business.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash balances.

The carrying amounts of financial assets reflect the Company's maximum exposure to credit risk.

The maximum exposure to credit risk at the reporting date was as follows:

thousand tenge	31.12.2024	31.12.2023
Cash and cash equivalents	111	111
Other claims	-	17.305
	111	17.416

Cash and cash equivalents

The following table provides information about the credit quality of cash balances in current accounts on December 31:

thousand tenge	31.12.2024	31.12.2023
- with BB+ credit rating	111	111
	111	111

Other claims

As disclosed in Note 8, other receivables represent amounts due from Astana Bank JSC. At the reporting date, the Management of the Company created 100% provision and recognized impairment losses in the amount of 17,305 thousand tenge for the year ended December 31, 2024.



11. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or jeopardizing the Company's reputation.

Short-term financial liabilities of the Company in the amount of 132,680 thousand tenge are past due and repayable upon creditor's request.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimizing the return on risk.

Currency risk

The Company is exposed to currency risk on transactions denominated in currencies other than its functional currency.

The Company's management believes it is taking all necessary measures to support the sustainability of the Company's business in the current circumstances. The Company's management sets limits on the level of exposure by currency and in total, both at the end of each day and within one day, which are monitored on a periodic basis.

As at 31 December 2024 and 2023 the monetary financial assets and liabilities are denominated in tenge.

12. CONTINGENT ASSETS AND LIABILITIES

Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available in Kazakhstan. The Company does not have full insurance coverage for its production facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on its property or relating to the Company's operations. Until the Company has adequate insurance coverage, there is a risk that the loss or damage to certain assets could have a material adverse effect on the Company's operations and financial position.

Contingent tax liabilities

The taxation system in Kazakhstan is relatively new and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities, including opinions regarding the treatment of income, expenses and other items of financial statements in accordance with IFRS. Taxes are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years; however, under certain circumstances reviews may be extended.

These circumstances may create tax risks in Kazakhstan that are substantially more significant than in other countries. The management of the Company believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax laws, regulations and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Operating environment

Emerging markets such as Kazakhstan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Kazakhstan continue to change rapidly and are subject to varying interpretations. The future economic direction of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

The impact of changes in economic conditions on the Company's future results of operations and financial position may be significant.



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13. TRANSACTIONS WITH RELATED PARTIES

Remuneration to key management personnel

The key personnel of the Company is the General Director.

During 2024 and 2023, there was no accrual of remuneration to the General Director

Transactions with related parties

The Company received loans under financial assistance agreements from related parties for the total carrying amount of 132,680 thousand tenge (Note 10).

14. EVENTS AFTER THE REPORTING DATE

The Board of Directors of Fund for Problem Loans JSC made a decision on December 18, 2024 at the meeting of the Board of Directors to acquire 50% of the participation interest in the authorized capital of NGK KazTransitService LLP from the second member TTC Company LLP by entering into a gift agreement. On the date of approval of these financial statements the agreement between the members has not been formalized and all necessary procedures aimed at realization of this decision are underway.

There were no other events in the Company's financial activities that resulted in significant changes in the value of assets and liabilities between December 31, 2024 and the approval of these financial statements.

