

**Explanatory Note
to financial statements of “Damu” Entrepreneurship Development Fund” JSC
for the 3rd quarter of 2023**

Main areas of activity

“Damu” Entrepreneurship Development Fund” JSC (hereinafter referred to as the “Fund”) was established in accordance with Government Decision No. 665 dated 26 April 1997. The Fund is registered and operates in the territory of the Republic of Kazakhstan as a joint-stock company.

The main activities of the Fund are financing within the framework of lending programs through second-level banks, microfinance organizations and leasing companies, subsidy of interest rates, guarantee, consulting support, dissemination of information and analytical materials. The fund uses its own and borrowed funds to finance SMBs in Kazakhstan.

The fund has 20 regional branches. Its head office is located in Almaty, Kazakhstan. As of September 30, 2023, the Fund employed 426 employees.

Registered legal address of the Fund: Republic of Kazakhstan, Almaty, Gogol St., 111.

The sole shareholder of the Fund is “National Management Holding “Baiterek” JSC. The ultimate controlling party of the Fund is the Government of the Republic of Kazakhstan.

Basis of preparation of financial statements

These financial statements have been prepared in accordance with the International Financial Reporting Standards and are presented in thousands of tenge.

Explanation of Balance Sheet

Decryption to balance sheet items:

1. Short-term assets:

Cash and cash equivalents: Bank balances at the end of the reporting period, net of allowance for impairment, amounted 264,568,006 thousand tenge. Below is a transcript of the articles.

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Current accounts in NB and STB bank accounts	162 277 302	211 386 844
Purchase and reverse sale agreements ("reverse repo") with original maturity less than three months	102 290 704	77 120 004
Total	264 568 006	288 506 848

thousand tenge

Short-term financial assets at amortized cost: Carrying amount at the end of the reporting period was 72,201,726 thousand tenge. Below is a transcript of the articles.

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Loans issued to customers	1 254 214	1 946 238
Loans issued to financial institutions, including those issued under Islamic finance programs	21 092 637	15 731 360
Bank deposits with original maturities greater than three months	49 854 875	90 242
Total	72 201 726	17 770 505

thousand tenge

Short-term financial assets at fair value through other comprehensive income: Carrying/fair value of the securities at the end of the reporting period was 1,328,779 thousand tenge. Below is the transcript.

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Bonds/Notes of NB RK	-	23 798 186
MF RK	1 328 779	3 508 512
Total	1 328 779	27 306 698

The current income tax amounted 1,043,260 thousand tenge.

2. Long-term assets:

Long-term financial assets estimated at amortized cost at the end of the reporting period amounted 168,210,690 thousand tenge. Below is a transcript of the articles.

Long-term loans issued amount 153,040,505 thousand tenge:

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Loans issued to customers	235 381	319 005
Loans issued to financial institutions, including under Islamic finance programs	152 805 124	153 317 498
Bank deposits with original maturities greater than three months	-	48 888 210
Total	153 040 505	202 524 713

Investment securities estimated at amortised cost amount 15,170,185 thousand tenge;

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Bonds of STB	5 327 059	5 238 822
Bonds of other corporate issuers	9 843 126	822 116
Total	15 170 185	6 060 938

Long-term financial assets at fair value through other comprehensive income: Carrying/fair value of the securities at the end of the reporting period amounted 3,960,193 thousand tenge.

Below is the transcript.

	<i>thousand tenge</i>	
	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Bonds of STB	555 871	554 599
"SWF "Samruk-Kazyna" JSC	3 404 322	3 290 222
Total	3 960 193	3 844 821

Long-term financial assets accounted for at fair value through profit or loss: Carrying/fair value of the securities at the end of the reporting period was 72,398 thousand tenge. Below is the transcript.

thousand tenge

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Bonds of Ministry of Finance of Kazakhstan	72 398	68 914
Total	72 398	68 914

Fixed assets: The carrying value of assets in property, plant and equipment at the end of the reporting period amounted 2,106,723 thousand tenge. Accumulated depreciation of fixed assets at the end of the reporting period amounted 2,312,868 thousand tenge.

Intangible assets: The carrying value of intangible assets at the end of the reporting period amounted 274,466 thousand tenge, including software and licenses. Accumulated amortization of intangible assets at the end of the reporting period amounted 700,791 thousand tenge.

3. Short-term liabilities:

Short-term financial liabilities measured at amortised cost at the end of the reporting period amounted 29,057,557 thousand tenge. Below is the transcript:

thousand tenge

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
"NMH "Baiterek" JSC	106 986	65 486
"SWF "Samruk-Kazyna" JSC	19 416 325	19 416 325
Municipal authorities	9 527 914	6 224 640
Loans received from other organizations	6 332	6 446
Total	29 057 557	25 712 897

Other short-term financial liabilities at the end of the reporting period amounted 87,567,962 thousand tenge. Below is a transcript of the articles.

thousand tenge

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Accounts Payable	103 720	140 576
Accrued commission expenses	125 339	128 343
Provision for loan related commitments	26 202 761	27 608 568
Funds intended to subsidize small and medium-sized business remuneration rates	61 067 870	109 091 680
Finance lease liabilities	68 272	131 237
Total	87 567 962	137 100 404

4. Long-term liabilities:

Long-term financial liabilities estimated at amortised cost at the end of the reporting period amounted 146,249,542 thousand tenge.

Details of loans are presented in the table below.

thousand tenge

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
Municipal authorities	37 437 812	39 106 204
"NMH "Baiterek" JSC	107 311 730	105 621 459
Loans received from other organizations	500 000	500 000
Total	145 249 542	145 227 663

Including this item, the carrying/fair value of issued debt securities is recorded in the amount of **1,000,000 thousand tenge**.

5. Capital

Authorized (share) capital amounted to 102,920,273 thousand tenge. Without changes.

Components of other total income – 10,168,142 thousand tenge.

Other reserve - 316,430 thousand tenge.

Retained profit (RP) at the end of the reporting period amounted 90,792,815 thousand tenge.

6. Explanations on income and expenses of the Fund for the 3st quarter of 2023 compared to the same period of 2022:

	<i>thousand tenge</i>	
	3st quarter 2023	3st quarter 2023
Implementation Costs	(376 894)	(360 118)
Administrative expenses	(1 391 071)	(1 290 661)
Total operating profit (loss)	(1 767 965)	(1 650 779)
Financial income	8 795 571	8 151 150
Finance expenses	(510 818)	(510 022)
Other income	13 283 257	11 778 490
Other expenses	(7 871 290)	(3 739 999)
Profit (loss) before tax	13 696 720	15 679 620
Income tax expense (-) (income (+))	-	-
Profit (loss) after taxation from continuing operations	11 928 755	14 028 841

For the 3st quarter of 2023 the Fund made profit in the amount of 11,928,755 thousand tenge.

Head: G. Buribaeva

(Full name)

Chief Accountant: A.T. Bekmuratova

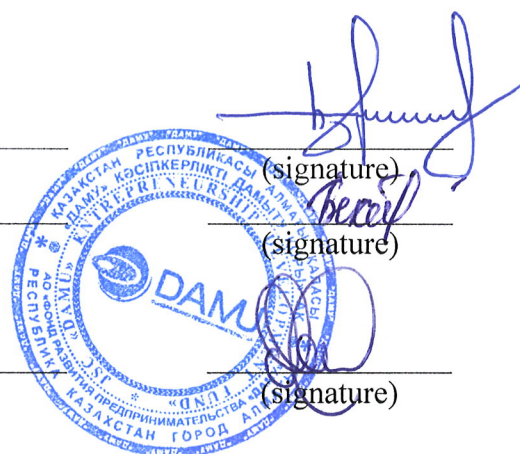
(Full name)

Approved by:

Deputy Chairman of the Board: B.N. Makazhanov

(Full name)

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Organization name DAMU ENTREPRENEURSHIP DEVELOPMENT FUND JOINT STOCK COMPANY

Reorganization details: -

Type of activity of the organization: Other types of lending

Organizational and legal form: Joint Stock Company

Report type:

Average annual number of employees: 360 people

Business entity: BIG

Legal address (of the organization): Kazakhstan, 050004, Almaty city, Almalinskiy district, Gogol st., bldg. 111, , (727) 244-55-66, 244-55-77,
info@fund.kz, Ajgul.Kusajunova@fund.kz, www.damu.kz

Balance sheet
as of 30.09.2023

thousand tenge

Item name	Line code	As on the end of accounting period	As on the beginning of accounting period
Assets			
I. Short-term assets:			
Cash and cash equivalents	010	264 568 006	288 506 848
Short-term financial assets measured at amortized cost	011	72 201 726	19 620 788
Short-term financial assets measured at fair value through other comprehensive income	012	1 328 779	27 306 698
Short-term financial assets measured at fair value through profit or loss	013		
Short-term derivative financial instruments	014		
Other short-term financial assets	015	869 073	1 649 995
Short-term trade and other receivables	016		
Short-term lease receivables	017	3 102	3 630
Short-term assets under contracts with customers	018		
Current income tax	019	1 043 260	149 200
Stocks	020	57 461	45 205
Biological assets	021		
Other short-term assets	022	1 285 246	2 483 702
Total short-term assets (sum of lines 010 to 022)	100	341 356 653	339 766 066
Assets (or disposal groups) held for sale	101	28 347	716 660
II. Long-term assets			
Long-term financial assets measured at amortized cost	110	168 210 690	208 585 651
Long-term financial assets measured at fair value through other comprehensive income	111	3 960 193	3 844 821
Long-term financial assets measured at fair value through profit or loss	112	72 398	68 914
Long-term derivative financial instruments	113		
Investments held at historical cost	114		
Investments held by the equity method	115		
Other long-term financial assets	116	998	1 178
Long-term trade and other receivables	117		
Long-term lease receivables	118		
Long-term assets under contracts with customers	119		
Investment property	120		
Fixed assets	121	2 052 476	2 076 032
Right-of-use asset	122	54 247	106 426
Biological assets	123		
Exploration and evaluation assets	124		
Intangible assets	125	274 466	297 452
Deferred tax assets	126		
Other long-term assets	127		
Total long-term assets (sum of lines 110 to 127)	200	174 625 468	214 980 474
Balance (line 100 + line 101+ line 200)		516 010 468	555 463 200

Item name	Line code	As on the end of accounting period	As on the beginning of accounting period
Liability and capital			
III. Short-term liabilities:			
Short-term financial liabilities measured at amortized cost	210	29 057 557	25 957 075
Short-term financial liabilities measured at fair value through profit or loss	211		
Short-term derivative financial instruments	212		
Other short-term financial liabilities	213	87 567 962	134 100 404
Short-term trade and other payables	214		
Short-term estimated liabilities	215		
Current tax liabilities for income tax	216	169 848	201 586
Remuneration to employees	217	92 506	105 374
Short-term lease debt	218		
Short-term liabilities under contracts with customers	219		
Government subsidies	220		
Dividends payable	221		
Other short-term liabilities	222	11 769 595	17 104 428
Total short-term liabilities (sum of lines 210 to 222)	300	128 657 468	177 468 867
Liabilities of disposal groups held for sale	301		
IV. Long-term liabilities			
Long-term financial liabilities measured at amortized cost	310	146 249 542	146 227 663
Long-term financial liabilities measured at fair value through profit or loss	311		
Long-term derivative financial instruments	312		
Other long-term financial liabilities	313		
Long-term trade and other payables	314		
Long-term estimated liabilities	315		
Deferred tax liabilities	316	4 074 532	5 884 197
Remuneration to employees	317		
Long-term rental debt	318		
Long-term liabilities under contracts with customers	319		
Government subsidies	320		
Other long-term liabilities	321	32 831 266	33 866 933
Total long-term liabilities (sum of lines 310 to 321)	400	183 155 340	185 978 793
V. Capital			
Authorized (share) capital	410	102 920 273	102 920 273
Share premium	411		
Repurchased own equity instruments	412	0	
Components of other comprehensive income	413	10 168 142	9 914 777
Retained earnings (uncovered loss)	414	90 792 815	78 864 060
Other capital	415	316 430	316 430
Total capital attributable to owners (sum of lines 410 to 415)	420	191 228 340	192 015 540
Share of non-controlling owners	421		
Total capital (line 420 +/- line 421)	500	204 197 660	192 015 540
Balance (line 300 + line 301 + line 400 + line 500)		516 010 468	555 463 200

Head: Buribayeva G.A.

(surname, name, patronymic)

Chief Accountant: Bekmurtova A.T.

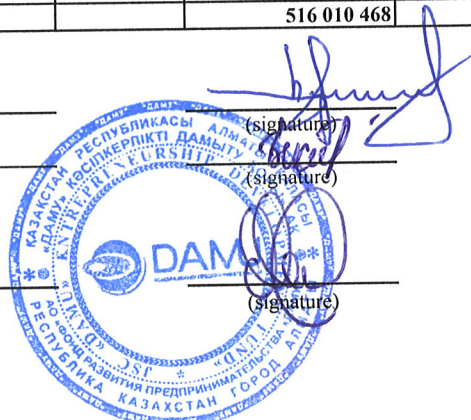
(surname, name, patronymic)

Agree by:

Deputy Chairman of the Management Board B.Makazhanov

(surname, name, patronymic)

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Organization name DAMU ENTREPRENEURSHIP DEVELOPMENT FUND JOINT STOCK COMPANY

Profit and loss statement
as of 30.09.2023

thousand tenge

Indicators	Line code	For the accounting period	For the previous period
Revenue	010		
Prime cost of goods and services sold	011		
Gross profit (line 010 - line 011)	012		
Sale expenses	013	376 894	360 118
Administrative expenses	014	1 391 071	1 290 661
Total operating profit (loss) (+/- lines 012 to 014)	020	-1 767 965	-1 650 779
Financial income	021	8 795 571	8 151 150
Financial expenses	022	510 818	510 022
The entity's share in the profit (loss) of associates and joint ventures accounted for using the equity method	023		
Other revenue	024	13 283 257	11 778 490
Other expenses	025	7 871 290	3 739 999
Profit (loss) before tax (+/- lines 020 to 025)	100	11 928 755	14 028 841
Income tax expense (-) (income (+))	101		
Profit (loss) after tax from continuing operation (line 100 + line 101)	200	11 928 755	14 028 841
Profit (loss) after tax from discontinued operations	201		
Profit for the year (line 200 + line 201) attributable to:	300	11 928 755	14 028 841
of parent organization owners			
share of non-controlling owners			
Other comprehensive income, total (sum of 420 and 440):	400	-253 365	195 960
including			
revaluation of debt financial instruments measured at fair value through other comprehensive income	410	-253 365	195 960
share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	411		
effect of a change in the income tax rate on deferred tax	412		
Cash flow hedge	413		
Exchange rate difference on investments in foreign organizations	414		
Hedge of net investment in foreign operations	415		
Other components of other comprehensive income	416		
Adjustment on reclassification in profit (loss)	417		
tax effect of components of other comprehensive income	418		
Total other comprehensive income to be reclassified to income or expense in subsequent periods (net of income tax) (sum of lines 410 to 418)	420	-253 365	195 960
revaluation of fixed assets and intangible assets	431		
share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	432		
Actuarial gains (losses) on pension liabilities	433		
tax effect of components of other comprehensive income	434		
revaluation of equity financial instruments measured at fair value through other comprehensive income	435		
Total other comprehensive income not to be reclassified to income or expense in subsequent periods (net of income tax) (sum of lines 431 to 435)	440		
Total comprehensive income (line 300 + line 400)	500	11 675 390	14 224 801
Total comprehensive income attributable to:			
of parent organization owners			
share of non-controlling owners			

Earnings per share:	600		
including			
Basic earnings per share:			
from continuing activities			
from discontinued activities			
Diluted earnings per share:			
from continuing activities			
from discontinued activities			

Head: Buribayeva G.A.

(surname, name, patronymic)

Chief Accountant: Bekmuratova A.T.

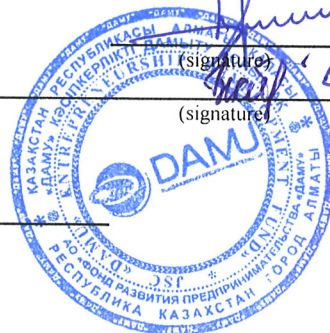
(surname, name, patronymic)

Agree by:

Deputy Chairman of the Management Board B.Makazhanov

(surname, name, patronymic)

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(signature)

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