

**Explanatory Note
to financial statements of “Damu” Entrepreneurship Development Fund” JSC
for the 2st 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 June 3, 2023, the Fund employed 425 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 to 288,506,848 thousand tenge. Below is a transcript of the articles.

	<i>thousand tenge</i>	
	<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	211 386 844	87 133 314
Purchase and reverse sale agreements ("reverse repo") with original maturity less than three months	77 120 004	94 904 031
Total	288 506 848	182 037 345

Short-term financial assets at amortized cost: Carrying amount at the end of the reporting period was 19,620,788 thousand tenge. Below is a transcript of the articles.

	<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	1 462 951	1 946 238
Loans issued to financial institutions, including those issued under Islamic finance programs	18 120 518	15 731 360
Bank deposits with original maturities greater than three months	37 319	90 242
Total	19 620 788	17 770 505

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 27,306,698 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	49 676
MF RK	3 508 512	8 586 599
Total	27 306 698	8 636 275

The current income tax amounted to 149,200 thousand tenge.

2. Long-term assets:

Long-term financial assets estimated at amortized cost at the end of the reporting period amounted to 208,585,651 thousand tenge. Below is a transcript of the articles.

Long-term loans issued amount to 202,524,713 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	319 005	653 786
Loans issued to financial institutions, including under Islamic finance programs	153 317 498	154 085 024
Bank deposits with original maturities greater than three months	48 888 210	-
Total	202 524 713	157 738 810

Investment securities estimated at amortised cost amount to 6,060,938 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	5 238 822	5 007 962
Bonds of other corporate issuers	822 116	830 949
Total	6 060 938	5 838 911

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 to 3,844,821 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	554 599	534 188
Bonds of Ministry of Finance of Kazakhstan	-	1 019 275
"SWF "Samruk-Kazyna" JSC	3 290 222	3 236 949
Total	3 844 821	4 790 412

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 68,914 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	68 914	74 139
Total	68 914	74 139

Fixed assets: The carrying value of property, plant and equipment at the end of the reporting period amounted to 2,076,032 thousand tenge. Accumulated depreciation of fixed assets at the end of the reporting period amounted to 1,986,800 thousand tenge.

Intangible assets: The carrying value of intangible assets at the end of the reporting period amounted to 297,452 thousand tenge, including software and licenses. Accumulated amortization of intangible assets at the end of the reporting period amounted to 677,805 thousand tenge.

3. Short-term liabilities:

Short-term financial liabilities measured at amortised cost at the end of the reporting period amounted to KZT 25,957,075 thousand tenge. Below is the transcript:

Borrowed funds amounted to 25,712,897 thousand tenge.

thousand tenge

	<i>At the end of the reporting period</i>	<i>At the beginning of the reporting period</i>
"NMH "Baiterek" JSC	65 486	65 486
"SWF "Samruk-Kazyna" JSC	19 416 325	19 416 325
Municipal authorities	6 224 640	2 116 966
Loans received from other organizations	6 446	-
Total	25 712 897	21 598 777

Including this article, the short-term book/fair value of debt securities issued in the amount of **244,178 thousand tenge** is listed. At the beginning of the reporting period, the amount of short-term book/fair value of debt securities issued amounted to **44,178 thousand tenge**.

Other short-term financial liabilities at the end of the reporting period amounted 134,100,404 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	140 576	273 513
Accrued commission expenses	128 343	128 345
Provision for loan related commitments	27 608 568	34 115 028
Funds intended to subsidize small and medium-sized business remuneration rates	109 091 680	4 913 288
Finance lease liabilities	131 237	199 046
Total	137 100 404	39 629 220

4. Long-term liabilities:

Long-term financial liabilities estimated at amortised cost at the end of the reporting period amounted to 146,227,663 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	39 106 204	43 994 482
"NMH "Baiterek" JSC	105 621 459	102 381 116

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 30.06.2023

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	288 506 848	182 037 345
Short-term financial assets measured at amortized cost	011	19 620 788	17 770 505
Short-term financial assets measured at fair value through other comprehensive income	012	27 306 698	8 636 275
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	1 649 995	387 080
Short-term trade and other receivables	016		
Short-term lease receivables	017	3 630	1 576
Short-term assets under contracts with customers	018		
Current income tax	019	149 200	633 394
Stocks	020	45 205	44 092
Biological assets	021	0	0
Other short-term assets	022	2 483 702	4 805 660
Total short-term assets (sum of lines 010 to 022)	100	339 766 066	214 315 927
Assets (or disposal groups) held for sale	101	716 660	39 262
II. Long-term assets			
Long-term financial assets measured at amortized cost	110	208 585 651	205 601 799
Long-term financial assets measured at fair value through other comprehensive income	111	3 844 821	4 790 412
Long-term financial assets measured at fair value through profit or loss	112	68 914	74 139
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	1 178	9 802
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	2 076 032	2 141 942
Right-of-use asset	122	106 426	182 811
Biological assets	123		
Exploration and evaluation assets	124		
Intangible assets	125	297 452	324 883
Deferred tax assets	126		
Other long-term assets	127		
Total long-term assets (sum of lines 110 to 127)	200	214 980 474	213 125 788
Balance (line 100 + line 101+ line 200)		555 463 200	427 480 978

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	25 957 075	21 642 955
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	134 100 404	39 629 220
Short-term trade and other payables	214		
Short-term estimated liabilities	215		
Current tax liabilities for income tax	216	201 586	134 672
Remuneration to employees	217	105 374	336 822
Short-term lease debt	218		
Short-term liabilities under contracts with customers	219		
Government subsidies	220		
Dividends payable	221		
Other short-term liabilities	222	17 104 428	10 437 789
Total short-term liabilities (sum of lines 210 to 222)	300	177 468 868	72 181 458
Liabilities of disposal groups held for sale	301		
IV. Long-term liabilities			
Long-term financial liabilities measured at amortized cost	310	146 227 663	147 575 598
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	5 884 197	1 835 530
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	33 866 933	30 899 524
Total long-term liabilities (sum of lines 310 to 321)	400	185 978 793	180 310 652
V. Capital			
Authorized (share) capital	410	102 920 273	102 920 273
Share premium	411		
Repurchased own equity instruments	412		
Components of other comprehensive income	413	9 914 777	9 964 274
Retained earnings (uncovered loss)	414	78 864 060	61 787 891
Other capital	415	316 430	316 430
Total capital attributable to owners (sum of lines 410 to 415)	420	191 228 340	174 988 868
Share of non-controlling owners	421		
Total capital (line 420 +/- line 421)	500	192 015 539	174 988 868
Balance (line 300 + line 301 + line 400 + line 500)		555 463 200	427 480 978

Head: Buribayeva G.A.

(surname, name, patronymic)

Chief Accountant: Kusayynova A.K.

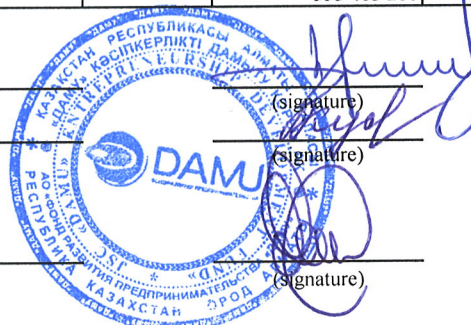
(surname, name, patronymic)

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 30.06.2023

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	476 146	288 744
Administrative expenses	014	1 418 646	1 200 597
Total operating profit (loss) (+/- lines 012 to 014)	020	-1 894 793	-1 489 340
Financial income	021	8 931 445	8 420 837
Financial expenses	022	515 612	506 234
The entity's share in the profit (loss) of associates and joint ventures accounted for using the equity method	023		
Other revenue	024	13 080 706	23 141 258
Other expenses	025	-2 164 780	6 783 657
Profit (loss) before tax (+/- lines 020 to 025)	100	21 766 527	22 782 864
Income tax expense (-) (income (+))	101	-7 337 623	-8 706 621
Profit (loss) after tax from continuing operation (line 100 + line 101)	200	14 428 904	14 076 243
Profit (loss) after tax from discontinued operations	201		
Profit for the year (line 200 + line 201) attributable to:	300	14 428 904	14 076 243
of parent organization owners			
share of non-controlling owners			
Other comprehensive income, total (sum of 420 and 440):	400	-225 302	372 507
including			
revaluation of debt financial instruments measured at fair value through other comprehensive income	410	-225 302	372 507
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	-225 302	372 507
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	14 203 602	14 448 750
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: Kusaynova A.K.

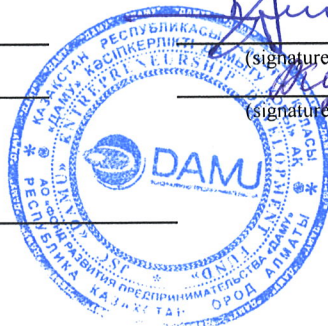
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Agree by:

Deputy Chairman of the Management Board B.Makazhanov

(surname, name, patronymic)

Seal



(signature)

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