

**Explanatory note
to the financial statements of Damu Entrepreneurship Development Fund JSC
for the 2 st quarter of 2022**

Main directions of activity

JSC "Entrepreneurship Development Fund" Damu" (hereinafter referred to as the "Fund") was established in accordance with the Resolution of the Government of the Republic of Kazakhstan No. 665 dated April 26, 1997. The Fund was established as a Joint Stock Company and is located in the Republic of Kazakhstan.

The main activity of the Fund is financing within the framework of lending programs through second-tier banks, microfinance organizations and leasing companies, subsidizing interest rates, guaranteeing, consulting support, disseminating information and analytical materials. The Fund uses its own and borrowed funds to finance SMEs in Kazakhstan.

The foundation has 17 regional branches. Its head office is located in Almaty, Kazakhstan. As of 30 September, 2021, the Fund employed 358 employees.

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

The sole shareholder of the Fund is Baiterek National Managing Holding 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 International Financial Reporting Standards and are presented in thousands of tenge.

Explanations to the Balance Sheet

Explanation of balance items:

1. Short-term assets:

Cash and cash equivalents: Balances on bank accounts at the end of the reporting period excluding deduction of allowance for impairment amounted to 263,695,761 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> |
|--|---|---|
| Purchase and resell agreements ("reverse repos") with an original maturity of less than three months | 135 920 646 | 64 140 419 |
| Current accounts in bank accounts | 79 739 603 | 10 452 112 |
| Cash balances with the NBRK (other than mandatory reserve deposits) | 48 035 512 | 2 361 621 |
| Total | 263 695 761 | 76 882 383 |

thousand tenge

Short-term financial assets measured at amortized cost: Carrying value at the end of the reporting period amounted to 16,741,580 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 to customers | 6 097 336 | 250 928 |
| Loans issued to financial institutions, including those issued under Islamic finance programs | 10 596 304 | 13 294 416 |
| Deposits with banks with an original maturity of more than three months | 47 940 | 5 124 629 |
| Total | 16 741 580 | 18 669 973 |

thousand tenge

Short-term financial assets at fair value through other comprehensive income: Carrying out / fair value of the Central Bank at the end of the reporting period amounted to 13,396,580 thousand tenge. Below is the transcript.

| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
|--|---|---|
| Notes of NB RK | 8 262 623 | 27 542 151 |
| Ministry of Finance of RK (KZK100000258) | 5 133 957 | 2 982 459 |
| Eurasian Development Bank | - | 1 943 378 |
| Total | 13 396 580 | 32 467 988 |

2. Long-term assets:

Long-term financial assets, measured at amortized cost at the end of the reporting period, amounted to 160,358,847 thousand tenge. Below is a transcript of the articles.

Long-term loans issued in the amount of 154,665,551 thousand tenge:

| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
|--|---|---|
| Loans given to financial institutions | 1 966 231 | 1 320 |
| Loans given in the framework of the Islamic financing programs | 152 699 320 | 220 884 914 |
| Total | 154 665 551 | 220 886 234 |

Investment securities, assessed at amortized cost, amount to 5,693,296 thousand tenge;

| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
|----------------------------------|---|---|
| STB bonds | 4 863 014 | 4 712 972 |
| Bonds of other corporate issuers | 830 282 | 816 993 |
| Total | 5 693 296 | 5 529 965 |

Long-term financial assets at fair value through other comprehensive income: The carrying / fair value of the Central Bank at the end of the reporting period amounted to 6,816,418 thousand tenge. Below is the transcript.

| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
|--|---|---|
| STB bonds | 520 441 | 1 543 325 |
| Bonds of the Ministry of Finance of RK | 3 023 690 | 3 105 040 |
| Samruk-Kazyna NWF JSC | 3 272 287 | 3 420 495 |
| Total | 6 816 418 | 8 068 860 |

Long-term financial assets at fair value through profit or loss: Carrying out / fair value of the Central Bank at the end of the reporting period amounted to 70,880 thousand tenge. Below is the transcript.

| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
|--|---|---|
| Bonds of the Ministry of Finance of RK | 70 880 | 79 188 |
| Total | 70 880 | 79 188 |

Fixed assets: The carrying value of fixed assets at the end of the reporting period amounted to 2,340,303 thousand tenge. Accumulated depreciation of fixed assets at the end of the reporting period amounted to 2,039,138 thousand tenge.

Intangible assets: The book value of intangible assets at the end of the reporting period amounted to 240,733 thousand tenge, including software and licenses. Accumulated amortization of intangible assets at the end of the reporting period amounted to 598,469 thousand tenge

3. Short-term liabilities:

Short-term financial liabilities measured at amortized cost: Borrowed funds at the end of the reporting period amounted to 2,177,316 thousand tenge. Details of loans are presented in the table.

| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
|-----------------------|---|---|
| JSC NMH "Baiterek" | 65 521 | 65 521 |
| NWF Samruk-Kazyna JSC | 263 353 | 263 353 |
| Municipal bodies | 1 804 264 | 1 063 698 |
| Total | 2 133 138 | 1 392 572 |

Including this item, there is a short-term carrying/fair value of issued debt securities in the amount of **44,178** thousand tenge

Other short-term financial liabilities at the end of the reporting period amounted to 86,652,413 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> |
|--|---|---|
| Accounts payable | 94 611 | 325 541 |
| Funds intended to subsidize remuneration rates for small and medium-sized businesses | 56 253 436 | 7 792 965 |
| Provision for credit related commitments | 29 993 895 | 25 556 498 |
| Finance lease commitments | 185 132 | 4 714 |
| Accrued commission expenses | 125 339 | 127 435 |
| Total | 86 652 413 | 33 807 153 |

4. Long-term liabilities:

Long-term financial liabilities, measured at amortized cost at the end of the reporting period, amounted to 169,120,370 thousand tenge.

Details of loans are presented in the table.

| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
|-----------------------|---|---|
| NWF Samruk-Kazyna JSC | 19 152 972 | 19 152 972 |
| Municipal bodies | 49 414 259 | 52 441 890 |
| JSC NMH "Baiterek" | 99 353 139 | 96 315 094 |
| Total | 167 920 370 | 167 909 956 |

Including this item, the carrying / fair value of debt securities issued in the amount of **1,200,000 thousand tenge** is recorded.

5. Capital

The authorized (share) capital amounted to 102'920'273 thousand tenge. Without changes.

Components of other comprehensive income - 10,173,717 thousand tenge.

Other reserve - 316,430 thousand tenge.

Retained earnings (URP) at the end of the reporting period amounted to 45,977,773 thousand tenge.

6. Explanations on the Fund's income and expenses for the 2st quarter of 2022 compared to the same period in 2021:

| | <i>thousand tenge</i> | |
|---|-----------------------------|-----------------------------|
| | <i>2st quarter 2022</i> | <i>2st quarter 2021</i> |
| Implementation costs | (288 744) | (171 571) |
| Administrative expenses | (1 239 191) | (1 084 145) |
| Total operating profit (loss) | (1 527 934) | (1 255 716) |
| Finance income | 9 348 739 | 3 100 282 |
| Financial expenses | 2 640 497 | (983 837) |
| Other income | 20 663 711 | 9 497 339 |
| Other expenses | (8 342 148) | (3 198 573) |
| Profit (loss) before tax | 22 782 864 | 7 156 496 |
| Income tax expense (-) (income (+)) | (8 706 621) | (3 539 677) |
| Profit (loss) after tax from continuing operations | 14 076 243 | 3 616 819 |

For the 2st quarter of 2022, the Fund received a loss in the amount of 14,076,242 thousand tenge.

Acting Chair: Nurgaziev G.

(last name, name)

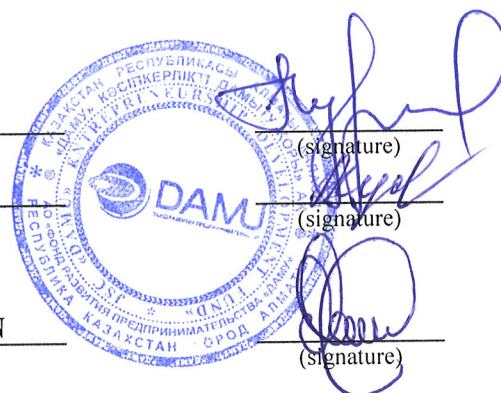
Chief Accountant: Kusayynova A.K

(last name, name)

Agreed:

Deputy Chairman of the Management Board: Makazhanov B.N

(last name, name)



(signature)

(signature)

(signature)

Prepared by Smagulova N.E.

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 30.06.2022

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 | 263 695 761,00 | 76 882 383,00 |
| Short-term financial assets measured at amortized cost | 011 | 16 741 580,00 | 18 669 973,00 |
| Short-term financial assets measured at fair value through other comprehensive income | 012 | 13 396 580,00 | 32 467 988,00 |
| Short-term financial assets measured at fair value through profit or loss | 013 | | 855 623,00 |
| Short-term derivative financial instruments | 014 | | |
| Other short-term financial assets | 015 | 449 009,00 | 163 943,00 |
| Short-term trade and other receivables | 016 | | |
| Short-term lease receivables | 017 | 2 039,00 | 7 689,00 |
| Short-term assets under contracts with customers | 018 | | |
| Current income tax | 019 | 1 694 610,00 | 3 357 383,00 |
| Stocks | 020 | 41 202,00 | 35 777,00 |
| Biological assets | 021 | | |
| Other short-term assets | 022 | 4 803 533,00 | 4 825 049,00 |
| Total short-term assets (sum of lines 010 to 022) | 100 | 300 824 314,00 | 137 265 808,00 |
| Assets (or disposal groups) held for sale | 101 | 111 056,00 | 153 173,00 |
| II. Long-term assets | | | |
| Long-term financial assets measured at amortized cost | 110 | 160 358 847,00 | 226 416 199,00 |
| Long-term financial assets measured at fair value through other comprehensive income | 111 | 6 816 418,00 | 8 068 860,00 |
| Long-term financial assets measured at fair value through profit or loss | 112 | 70 881,00 | 79 188,00 |
| 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 | 14 902,00 | 21 407,00 |
| 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 | 2 082 309,00 | 2 121 829,00 |
| Right-of-use asset | 122 | 257 994,00 | |
| Biological assets | 123 | | |
| Exploration and evaluation assets | 124 | | |
| Intangible assets | 125 | 240 733,00 | 267 623,00 |
| Deferred tax assets | 126 | | 3 132 896,00 |
| Other long-term assets | 127 | | |
| Total long-term assets (sum of lines 110 to 127) | 200 | 169 842 084,00 | 240 108 002,00 |
| Balance (line 100 + line 101 + line 200) | | 470 777 454,00 | 377 526 983,00 |

| 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 | 2 177 316,00 | 1 392 572,00 |
| 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 | 86 652 413,00 | 33 807 153,00 |
| Short-term trade and other payables | 214 | | |
| Short-term estimated liabilities | 215 | | |
| Current tax liabilities for income tax | 216 | 69 605,00 | 91 173,00 |
| Remuneration to employees | 217 | 99 372,00 | 299 810,00 |
| Short-term lease debt | 218 | | |
| Short-term liabilities under contracts with customers | 219 | | |
| Government subsidies | 220 | | |
| Dividends payable | 221 | | |
| Other short-term liabilities | 222 | 30 236 510,00 | 8 485 871,00 |
| Total short-term liabilities (sum of lines 210 to 222) | 300 | 119 235 216,00 | 44 076 579,00 |
| Liabilities of disposal groups held for sale | 301 | | |
| IV. Long-term liabilities | | | |
| Long-term financial liabilities measured at amortized cost | 310 | 169 120 370,00 | 169 154 134,00 |
| 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 | 90 312,00 | |
| Long-term trade and other payables | 314 | | |
| Long-term estimated liabilities | 315 | | |
| Deferred tax liabilities | 316 | 3 041 560,00 | |
| 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 | 19 901 802,00 | 22 947 487,00 |
| Total long-term liabilities (sum of lines 310 to 321) | 400 | 192 154 044,00 | 192 101 621,00 |
| V. Capital | | | |
| Authorized (share) capital | 410 | 102 920 273,00 | 102 920 273,00 |
| Share premium | 411 | | |
| Repurchased own equity instruments | 412 | | |
| Components of other comprehensive income | 413 | 10 173 718,00 | 10 762 583,00 |
| Retained earnings (uncovered loss) | 414 | 45 977 773,00 | 27 349 497,00 |
| Other capital | 415 | 316 430,00 | 316 430,00 |
| Total capital attributable to owners (sum of lines 410 to 415) | 420 | 159 388 194,00 | 141 348 783,00 |
| Share of non-controlling owners | 421 | | |
| Total capital (line 420 +/- line 421) | 500 | 159 388 194,00 | 141 348 783,00 |
| Balance (line 300 + line 301 + line 400 + line 500) | | 470 777 454,00 | 377 526 983,00 |

Acting Chair: Nurgaziev G.

(surname, name, patronymic)

Chief Accountant: Kusayynova A.K.

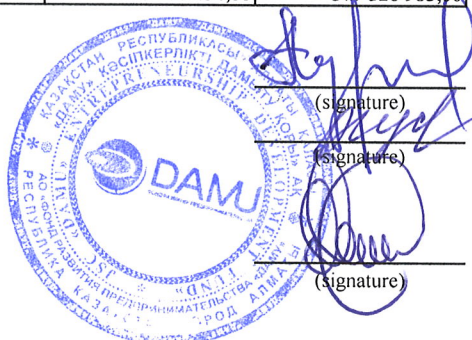
(surname, name, patronymic)

Agree by:

Deputy Chairman of the Management Board B.Makazhanov

(surname, name, patronymic)

Seal



Organization name DAMU ENTREPRENEURSHIP DEVELOPMENT FUND JOINT STOCK COMPANY

Profit and loss statement

as of 30.06.2022

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 | 288 744,00 | 171 571,00 |
| Administrative expenses | 014 | 1 239 191,00 | 1 084 145,00 |
| Total operating profit (loss) (+/- lines 012 to 014) | 020 | -1 527 935,00 | -1 255 716,00 |
| Financial income | 021 | 9 348 739,00 | 3 100 283,00 |
| Financial expenses | 022 | -2 640 497,00 | 983 837,00 |
| The entity's share in the profit (loss) of associates and joint ventures accounted for using the equity method | 023 | | |
| Other revenue | 024 | 20 663 711,00 | 9 497 339,00 |
| Other expenses | 025 | 8 342 148,00 | 3 198 573,00 |
| Profit (loss) before tax (+/- lines 020 to 025) | 100 | 22 782 864,00 | 7 159 496,00 |
| Income tax expense (-) (income (+)) | 101 | -8 706 621,00 | -3 539 677,00 |
| Profit (loss) after tax from continuing operation (line 100 + line 101) | 200 | 14 076 243,00 | 3 619 819,00 |
| Profit (loss) after tax from discontinued operations | 201 | | |
| Profit for the year (line 200 + line 201) attributable to: | 300 | 14 076 243,00 | 3 619 819,00 |
| of parent organization owners | | | |
| share of non-controlling owners | | | |
| Other comprehensive income, total (sum of 420 and 440): | 400 | 361 660,00 | 7 080,00 |
| including | | | |
| revaluation of debt financial instruments measured at fair value through other comprehensive income | 410 | 361 660,00 | 7 080,00 |
| 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 | 361 660,00 | 7 080,00 |
| 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 | 14 437 903,00 | 3 626 899,00 |
| 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 | | | |

Acting Chair: Nurgaziev G.

(surname, name, patronymic)

Chief Accountant: Kusayynova A.K.

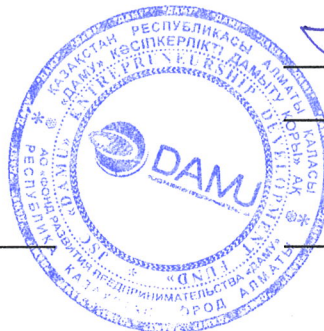
(surname, name, patronymic)

Agree by:

Deputy Chairman of the Management Board B. Makazhanov

(surname, name, patronymic)

Seal



(signature)

(signature)

(signature)