

**Explanatory note
to the financial statements of Damu Entrepreneurship Development Fund JSC
for the 2 st quarter of 2021**

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 March 31, 2021, the Fund employed 359 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 114,702,913 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> |
| Purchase and resell agreements ("reverse repos") with an original maturity of less than three months | 62 726 118 | 49 404 567 |
| Current accounts in bank accounts | 61 976 795 | 37 746 699 |
| Total | 114 702 913 | 87 151 266 |

Short-term financial assets measured at amortized cost: Carrying value at the end of the reporting period amounted to 17,773,689 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 to customers | 507 805 | 491 761 |
| Loans to financial institutions | 11 397 500 | 9 051 824 |
| Loans issued under Islamic finance programs | 861 740 | 548 616 |
| Deposits with banks with an original maturity of more than three months | 5 006 644 | 10 591 062 |
| Total | 17 773 689 | 20 683 263 |

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 31,665,824 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> |
| Notes of NB RK | 28 807 652 | 18 828 371 |
| Ministry of Finance of RK (KZK100000258) | 2 858 172 | - |
| Total | 31 665 824 | 18 828 371 |

Short-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 1,871,794 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 the Ministry of Finance of RK | 532 136 | 507 445 |
| Bonds of STB RK | 1 339 658 | 1 314 249 |
| Total | 1 871 794 | 1 821 694 |

2. Long-term assets:

Long-term financial assets, measured at amortized cost at the end of the reporting period, amounted to 201,046,256 thousand tenge. Below is a transcript of the articles.

Long-term loans issued in the amount of 195,641,756 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 to customers | 22 900 | 35 282 |
| Loans to financial institutions | 183 261 715 | 190 325 484 |
| Loans issued under Islamic finance programs | 12 357 142 | 12 347 733 |
| Total | 195 641 755 | 202 708 499 |

Investment securities, assessed at amortized cost, amount to 5,404,499 thousand tenge;

| | <i>thousand tenge</i> | |
|----------------------------------|---|---|
| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
| STB bonds | 4 575 464 | 4 511 465 |
| Bonds of other corporate issuers | 829 035 | 800 632 |
| Total | 5 404 499 | 5 312 097 |

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 544,195 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> |
| STB bonds | 552 771 | 544 195 |
| Bonds of the Ministry of Finance of RK | 1 020 371 | |
| Total | 1 573 142 | 544 195 |

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 895,792 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 the Ministry of Finance of RK | 895 792 | 919 748 |
| Total | 895 792 | 919 748 |

Fixed assets: The carrying value of fixed assets at the end of the reporting period amounted to 2,110,955 thousand tenge. Compared to the beginning of the reporting period, there was a decrease in the amount of 35,921 thousand tenge, due to the accrued depreciation. Accumulated depreciation of fixed assets at the end of the reporting period amounted to 1,927,812 thousand tenge.

Right-of-use asset: The carrying value of the right of the asset in the form of use at the end of the reporting period amounted to 81,234 thousand tenge, compared to the beginning of the reporting period, there was a decrease in the amount of 58,917 thousand tenge due to depreciation. Accumulated depreciation at the end of the reporting period amounted to 274,141 thousand tenge.

Intangible assets: The book value of intangible assets at the end of the reporting period amounted to 248,141 thousand tenge, including software and licenses. Compared to the beginning of the reporting period, there was a decrease in the amount of 29,237 thousand tenge due to the accrual of depreciation. Accumulated amortization of intangible assets at the end of the reporting period amounted to 533,231 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 1,446,536 thousand tenge. Details of loans are presented in the table.

| | <i>thousand tenge</i> | |
|-----------------------|---|---|
| | <i>At the end of the reporting period</i> | <i>At the beginning of the reporting period</i> |
| JSC NMH "Baiterek" | 65 521 | 107 071 |
| NWF Samruk-Kazyna JSC | 263 353 | 263 353 |
| Municipal bodies | 1 117 662 | 2 430 736 |
| Total | 1 446 536 | 2 801 160 |

Other short-term financial liabilities at the end of the reporting period amounted to 60'583'265 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> |
| Accounts payable | 100 089 | 111 005 |
| Funds intended to subsidize remuneration rates for small and medium-sized businesses | 30 428 058 | 28 959 919 |
| Provision for credit related commitments | 29 823 821 | 26 889 818 |
| Finance lease commitments | 105 958 | 152 627 |
| Accrued commission expenses | 125 339 | 125 341 |
| Total | 60 583 265 | 56 238 710 |

4. Long-term liabilities:

Long-term financial liabilities, measured at amortized cost at the end of the reporting period, amounted to 170'748'776 thousand tenge.

Details of loans are presented in the table.

| | <i>thousand tenge</i> | |
|-----------------------|---|---|
| | <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 | 58 061 032 | 62 440 653 |
| JSC NMH "Baiterek" | 93 325 633 | 91 885 026 |
| Total | 170 539 637 | 173 478 651 |

Including this item, the carrying / fair value of debt securities issued in the amount of **209,139 thousand tenge** is recorded.

5. Capital

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

Components of other comprehensive income - 10,805,780 thousand tenge.

Other reserve - 316,430 thousand tenge.

Retained earnings (URP) at the end of the reporting period amounted to 16'570'297 thousand tenge.

6. Explanations on the Fund's income and expenses for the 2st quarter of 2021 compared to the same period in 2020:

| | <i>thousand tenge</i> | |
|---|-------------------------|-------------------------|
| | <i>2st quarter 2021</i> | <i>2st quarter 2020</i> |
| Implementation costs | -171 571,00 | -95 658,00 |
| Administrative expenses | -1 084 145,00 | -936 342,00 |
| Total operating profit (loss) | -1 255 716,00 | -1 032 000,00 |
| Finance income | 3 100 282,00 | 5 466 202,00 |
| Financial expenses | -986 837,00 | -3 522 224,00 |
| Other income | 9 497 339,00 | 12 236 580,00 |
| Other expenses | -3 198 573,00 | -11 198 996,00 |
| Profit (loss) before tax | 7 156 496,00 | 1 949 562,00 |
| Income tax expense (-) (income (+)) | -3 539 677,00 | -944 489,00 |
| Profit (loss) after tax from continuing operations | 3 616 819,00 | 1 005 073,00 |

For the 2st quarter of 2021, the Fund received a loss in the amount of 3,616,819 thousand tenge.

Acting Chair: Nugaziyev G.N

(last name, name)

Acting Chief Accountant: Bekmuratova A.T

(last name, name)

Agreed:

Deputy Chairman of the Management Board: Makazhanov B.N

(last name, name)

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: 359 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 30.06.2021

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 | 114 702 913,00 | 105 347 496,00 |
| Short-term financial assets measured at amortized cost | 011 | 17 773 689,00 | 23 551 079,00 |
| Short-term financial assets measured at fair value through other comprehensive income | 012 | 31 665 824,00 | 18 828 371,00 |
| Short-term financial assets measured at fair value through profit or loss | 013 | 1 871 794,00 | 1 825 037,00 |
| Short-term derivative financial instruments | 014 | | |
| Other short-term financial assets | 015 | 3 870 000,00 | 5 457 374,00 |
| Short-term trade and other receivables | 016 | | |
| Short-term lease receivables | 017 | 3 043,00 | 3 323,00 |
| Short-term assets under contracts with customers | 018 | | |
| Current income tax | 019 | 5 456 234,00 | 7 685 663,00 |
| Stocks | 020 | 39 677,00 | 43 609,00 |
| Biological assets | 021 | | |
| Other short-term assets | 022 | 4 907 042,00 | 4 841 598,00 |
| Total short-term assets (sum of lines 010 to 022) | 100 | 180 290 216,00 | 167 583 550,00 |
| Assets (or disposal groups) held for sale | 101 | 195 338,00 | 201 354,00 |
| II. Long-term assets | | | |
| Long-term financial assets measured at amortized cost | 110 | 201 046 256,00 | 208 020 596,00 |
| Long-term financial assets measured at fair value through other comprehensive income | 111 | 1 573 142,00 | 544 195,00 |
| Long-term financial assets measured at fair value through profit or loss | 112 | 895 792,00 | 919 748,00 |
| 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 | 53 093,00 | 58 737,00 |
| 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 | 2 110 955,00 | 2 146 876,00 |
| Right-of-use asset | 122 | 81 234,00 | 133 953,00 |
| Biological assets | 123 | | |
| Exploration and evaluation assets | 124 | | |
| Intangible assets | 125 | 248 609,00 | 219 372,00 |
| Deferred tax assets | 126 | 2 216 372,00 | 2 978 187,00 |
| Other long-term assets | 127 | | |
| Total long-term assets (sum of lines 110 to 127) | 200 | 208 225 453,00 | 215 021 664,00 |
| Balance (line 100 + line 101+ line 200) | | 388 711 007,00 | 382 806 568,00 |
| Liability and capital | | | |
| III. Short-term liabilities: | | | |
| Short-term financial liabilities measured at amortized cost | 210 | 1 446 536,00 | 2 801 160,00 |

| Item name | Line code | As on the end of accounting period | As on the beginning of accounting period |
|--|------------|------------------------------------|--|
| 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 | 60 583 265,00 | 56 238 710,00 |
| Short-term trade and other payables | 214 | | |
| Short-term estimated liabilities | 215 | | |
| Current tax liabilities for income tax | 216 | 107 047,00 | 111 439,00 |
| Remuneration to employees | 217 | 107 593,00 | 169 207,00 |
| Short-term lease debt | 218 | | |
| Short-term liabilities under contracts with customers | 219 | | |
| Government subsidies | 220 | | |
| Dividends payable | 221 | | |
| Other short-term liabilities | 222 | 8 005 901,00 | 5 295 313,00 |
| Total short-term liabilities (sum of lines 210 to 222) | 300 | 70 250 342,00 | 64 615 829,00 |
| Liabilities of disposal groups held for sale | 301 | | |
| IV. Long-term liabilities | | | |
| Long-term financial liabilities measured at amortized cost | 310 | 170 748 776,00 | 173 681 915,00 |
| 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 | | |
| Long-term trade and other payables | 314 | | |
| Long-term estimated liabilities | 315 | | |
| Deferred tax liabilities | 316 | | |
| 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 | 17 099 109,00 | 14 185 927,00 |
| Total long-term liabilities (sum of lines 310 to 321) | 400 | 187 847 885,00 | 187 867 842,00 |
| 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 | 10 805 780,00 | 10 798 700,00 |
| Retained earnings (uncovered loss) | 414 | 16 570 297,00 | 16 287 494,00 |
| Other capital | 415 | 316 430,00 | 316 430,00 |
| Total capital attributable to owners (sum of lines 410 to 415) | 420 | 130 612 780,00 | 130 322 897,00 |
| Share of non-controlling owners | 421 | | |
| Total capital (line 420 +/- line 421) | 500 | 130 612 780,00 | 130 322 897,00 |
| Balance (line 300 + line 301 + line 400 + line 500) | | 388 711 007,00 | 382 806 568,00 |

Acting Chair: Nugaziyev G.N

(surname, name, patronymic)

Acting Chief Accountant: Bekmuratova A.T

(surname, name, patronymic)

Seal

Agree by:

Deputy Chairman of the Management Board B.Makazhanov

(surname, name, patronymic)

(signature)

(signature)

(signature)

Organization name DAMU ENTREPRENEURSHIP DEVELOPMENT FUND JOINT STOCK COMPANY

Profit and loss statement
as of 30.06.2021

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 | 171 571,00 | 95 658,00 |
| Administrative expenses | 014 | 1 084 145,00 | 936 342,00 |
| Total operating profit (loss) (+/- lines 012 to 014) | 020 | -1 255 716,00 | -1 032 000,00 |
| Financial income | 021 | 3 100 282,00 | 5 466 202,00 |
| Financial expenses | 022 | 986 837,00 | 3 522 224,00 |
| The entity's share in the profit (loss) of associates and joint ventures accounted for using the equity method | 023 | | |
| Other revenue | 024 | 9 497 340,00 | 12 236 580,00 |
| Other expenses | 025 | 3 198 573,00 | 11 198 996,00 |
| Profit (loss) before tax (+/- lines 020 to 025) | 100 | 7 156 496,00 | 1 949 562,00 |
| Income tax expense (-) (income (+)) | 101 | -3 539 677,00 | -944 489,00 |
| Profit (loss) after tax from continuing operation (line 100 + line 101) | 200 | 3 616 819,00 | 1 005 073,00 |
| Profit (loss) after tax from discontinued operations | 201 | | |
| Profit for the year (line 200 + line 201) attributable to: | 300 | 3 616 819,00 | 1 005 073,00 |
| of parent organization owners | | | |
| share of non-controlling owners | | | |
| Other comprehensive income, total (sum of 420 and 440): | 400 | 7 080,00 | -32 102,00 |
| including | | | |
| revaluation of debt financial instruments measured at fair value through other comprehensive income | 410 | 7 080,00 | -32 102,00 |
| 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 | 7 080,00 | -32 102,00 |
| 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 | 3 623 899,00 | 972 971,00 |
| 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: Nugazyev G.N

(surname, name, patronymic)

Acting Chief Accountant: Bekmuratova A.T

(surname, name, patronymic)

Seal

Agree by:

Deputy Chairman of the Management Board: B.Makazhanov

(surname, name, patronymic)

(signature)

(signature)

(signature)