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"MIDVEST" LIMITED LIABILITY PARTNERSHIP

TERMS AND CONDITIONS OF THE KZT10,000,000,000 BOND PROGRAMME Valid through 3 November, 2024

Midvest Limited Liability Partnership (the **"Issuer"**) has established a KZT10,000,000,000 Bond Programme (the **"Programme"**), pursuant to which the Issuer may from time-to-time issue bonds denominated in KZT (**"Bonds"**). Each series of Bonds issued under the Programme is hereinafter referred to as **"Tranche"**. The Programme may be comprised of one or more Tranches of Bonds issued on the same or different issue dates.

Application has been made for Bonds issued under the Programme to be admitted to the Official List of the Astana International Exchange (the **"AIX"**) and to be admitted to trading on the AIX (together "**Admission**"). Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and the completion of certain other terms and conditions which are applicable to, each Tranche of Bonds will be set forth in the Terms and Conditions of the Bonds (the **"Bonds T&C"**). In order for Bonds to be admitted to the Official List of the AIX and to be admitted to trading by the AIX, these Terms and Conditions of the Programme (the **"Programme T&C"**) and the Bonds T&C under each such Tranche will be delivered to the AIX for approval on or before the date of issue of the Bonds of such Tranche. In addition, it is expected that all Tranches issued under the Programme will be admitted to trading on AIX as "Wholesale Bonds" in accordance with the section 16-1 of the AIX Markets Listing Rules.

Bonds may only be offered and sold to Accredited Investor(s) (as defined in section 16-1 of the AIX Markets Listing Rules). The denomination of any Bonds issued under the Programme shall be an equivalent of U.S.$100,000.

Warnings:

1. Any decision to invest in the Bonds should be based on a consideration of the Programme and Bonds T&C per each Tranche by the investor ("**you**" or "**your**").
2. You could lose all or part of the amount invested.

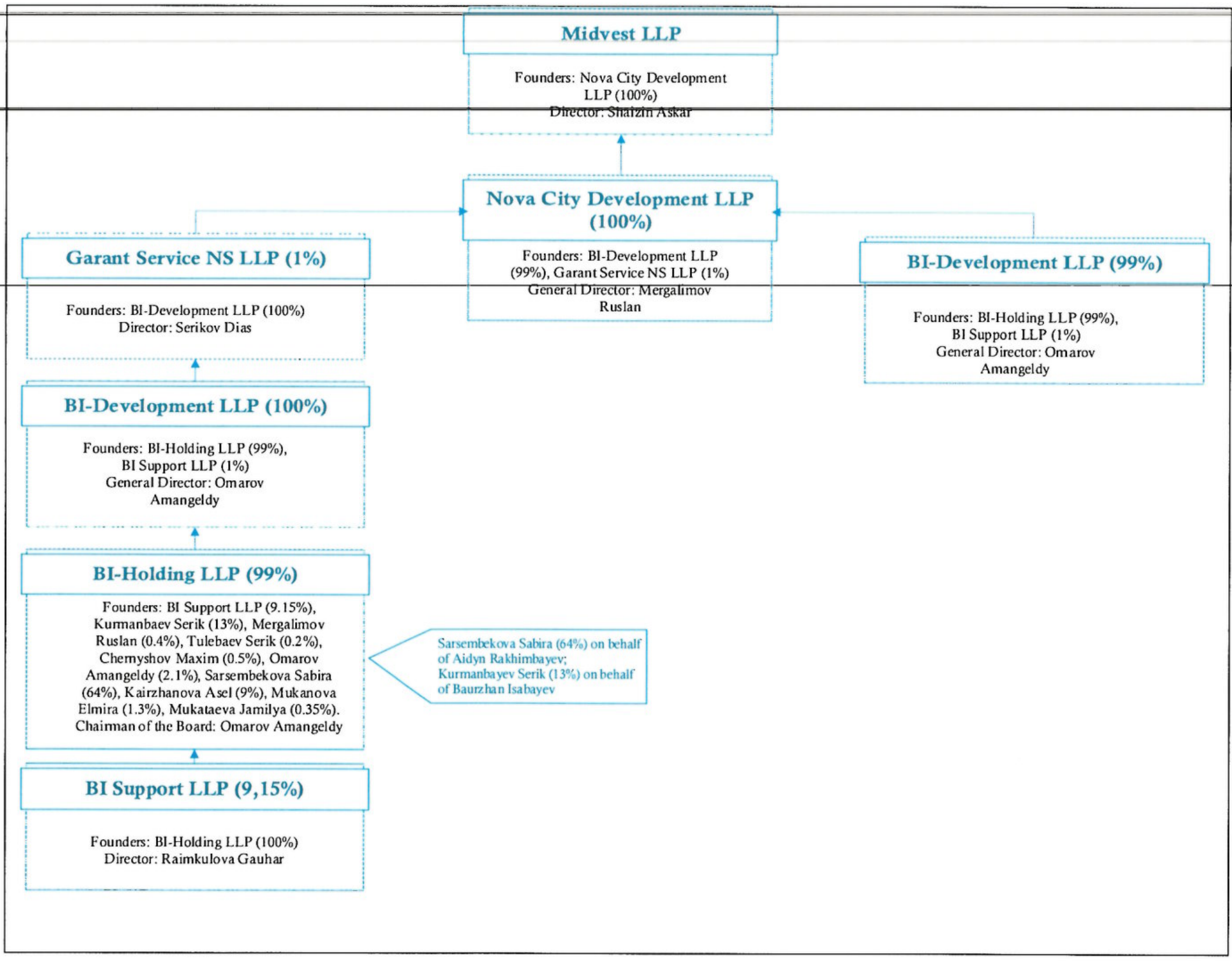
Responsibility Statement[1]:

The following person is responsible for Programme T&C and Bonds T&C of each Tranche:

Askar S. Shaizin, Director of the "Midvest" Limited Liability Partnership.

Each such person confirms (having taken all reasonable care to ensure that such is the case) that the information contained in the relevant parts of the document is, to the best of their knowledge, in accordance with the facts, and this document omits no information likely to affect its import.

SECTION 1. INTRODUCTION	
Issuer	**"Midvest" Limited Liability Partnership** **BIN: 171140900016**
Contact details of the Issuer	Kazakhstan, Nur-Sultan city, Syganak street, building 17M, postal code 010000 Tel: +7(777)110-34-69; email: midvest@bi.group
Domicile, legal form, country and date of incorporation	The Republic of Kazakhstan, Nur-Sultan city, E10 street, building 17M, postal code 010000, Kazakhstan. The Issuer has been incorporated as a Limited Liability Partnership on 27 July, 2016 and is operating under the Laws of the Republic of Kazakhstan. The Issuer is a small business entity with an average annual number of employees of no more than 50 people.
Advisors to the Issuer	The Issuer did not engage an advisor.
Purpose of the Programme	The purpose of the Programme is to raise funding from time to time to finance the business of the Issuer with the proceeds from the issuance of the Bonds to be used for general corporate purposes.
SECTION 2. INFORMATION ABOUT THE ISSUER	
Principal activities and business	The Issuers principal activity is construction and installation works; construction and repair works; construction of business centers, shopping and entertainment complexes, housing, cultural and social facilities; investment in construction.
Major shareholders, including whether it is directly or indirectly owned or controlled and by whom	The sole participant of the «Midvest» LLP is «Nova City Development» Limited Liability Partnership, BIN 110540015593. The ultimate beneficial owners of the sole participant are: BI-Development LLP (99%), Garant Service NS LLP (1%) General Director: Mergalimov Ruslan.



Midvest LLP
Founders: Nova City Development LLP (100%)
Director: Shaizin Askar
Nova City Development LLP (100%)
Founders: BI-Development LLP (99%), Garant Service NS LLP (1%)
General Director: Mergalimov Ruslan
Garant Service NS LLP (1%)
Founders: BI-Development LLP (100%)
Director: Serikov Dias
BI-Development LLP (99%)
Founders: BI-Holding LLP (99%), BI Support LLP (1%)
General Director: Omarov Amangeldy
BI-Development LLP (100%)
Founders: BI-Holding LLP (99%), BI Support LLP (1%)
General Director: Omarov Amangeldy
BI-Holding LLP (99%)
Founders: BI Support LLP (9.15%), Kurmanbaev Serik (13%), Mergalimov Ruslan (0.4%), Tulebaev Serik (0.2%), Chernyshov Maxim (0.5%), Omarov Amangeldy (2.1%), Sarsembekova Sabira (64%), Kairzhanova Asel (9%), Mukanova Elmira (1.3%), Mukataeva Jamilya (0.35%).
Chairman of the Board: Omarov Amangeldy
Sarsembekova Sabira (64%) on behalf of Aidyn Rakhimbayev;
Kurmanbayev Serik (13%) on behalf of Baurzhan Isabayev
BI Support LLP (9,15%)
Founders: BI-Holding LLP (100%)
Director: Raimkulova Gauhar

Current and proposed directors and senior managers of the Issuer	Askar S. Shaizin, Director. Graduated from Kazakh Institute of Chemical Technology in 1995, in 2013 obtained MBA BI Group degree, in 2015 obtained IPMA Layer C Certificate.
	He held management positions at BI Group LLP, Bonita Engineering LLP, ABK Kurylys LLP, Mereke Service NC LLP, Kaz industrial group LLP, Light House NC LLP, Zhaz Kurylys NC LLP, Sauran Towers LLP, Amanat Story LLP, Crystal LLP, Green Line Terra LLP, and other companies. Supervisory Board of the Issuer has been approved by the Resolution of the sole participant №4 dated October 6, 2021. Participants of Supervisory Board: - Maksim V. Chernyshov - Kairat K. Shayakhmetov - Serik Mussinov - Salimzhan S. Salimgereev - Marlen T. Kudaibergenov. The Supervisory Board is responsible for the following: 1. Approval of the Issuer's strategy and development plans; 2. Approval of the Issuer budget (Business plan), as well as changes and additions to it; 3. Consideration and adoption of decisions on concluding transactions (including related transactions) in the amount of more than 15 % (fifteen) percent, but not more than 25 % (twenty-five) percent of the authorized capital of the Issuer, as well as making changes and additions to them; 4. Decision to pledge fifty percent or more of the total property of the Issuer; 5. Approval of documents regulating the internal activities of the Issuer; 6. Approval of the Issuer's accounting policy; 7. Preliminary approval of the Issuer's annual financial statements; 8. Preliminary approval of the Issuer's annual report; 9. Approval of the total number of employees and the structure of the Central office of the Issuer; 10. Approval of the Issuer's internal risk management procedures and policy; 11. Appointment of an audit organization to audit the Issuer's financial statements and early termination of its powers; 12. Other issues stipulated by the legislation of the Republic of Kazakhstan and the Charter.
Auditors	LLP "GROUP OF COMPANIES Russell Bedford", Address: Almaty city, Al Farabi avenue, 202 Auditor: Shyngysbek Sartayev, position Tel: +7 (701) 556 78 88 Email: info@rbpartners.kz

Key financial information covering last financial year

Balance Sheet

	As at 31 December, KZT millions	
	2020	**2019**
	(audited)	
Long-term assets	42	228
Current assets	15 905	8 276
Total assets	15 947	8 503
Unallocated profit	1 088	164
Authorized capital	0.100	0.100
Total capital	1 088	164
Long-term liabilities	48	-
Current liabilities	14 811	8 340
Total liabilities	14 859	8 340
Total capital and liabilities	15 947	8 503

Profit and loss accounts

	As at 31 December, KZT, millions	
	2020	**2019**
	(audited)	
Revenue	6 067	-
Cost of sales	(4 705)	-
Gross profit	1 361	-
Profit (loss) before tax	1 179	(44)
Net profit (loss) for the period	924	(44)
Total comprehensive income	924	(44)

Significant factors affecting income/operations	An increase in the number of projects under construction and the growth of the price for housing square meters in Kazakhstan positively affected the operations of the Issuer. The increase of the number of Issuer's projects is due to the growth in demand for housing, which is to some extent caused by the government's program on using pension funds for the purposes of buying real estate by citizens of the country. This program also contributed to the growth of the price for housing square meters, which gives an opportunity to increase margin for companies in construction business. The Issuer incurred losses in 2019 because according to its policy the Issuer was engaged only in construction and then sold the constructed real estates to affiliated companies, that were involved in sales, at the minimal cost. Thus, all the margin from the sales is shown on the financial statement of affiliated companies.

Risks specific to the Issuer and the Securities	The Issuer believes that the risks described below represent the principle risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on, or in connection with the Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. The risks provided below are inherent to the Guarantor as well. *Reduction of construction activity in the Republic of Kazakhstan, particularly residential new build, could have a material adverse effect on the Issuer.* Demand for the Issuer's products is closely correlated with residential construction, comprising the new build sector and commercial construction activities in the country. The level of new build and construction activity, and therefore demand for the Issuer's products, is influenced by, and sensitive to, a number of macroeconomic factors. Downturns in the construction industry could have an adverse effect on demand for the Issuer's products. These factors also impact the business of the Issuer's customers and suppliers and the industry. The Issuer's growth prospects depend, to a significant extent, on the degree to which conditions in the residential new build and commercial construction markets in the Republic of Kazakhstan develop in the future, which may not be sustained. If the Kazakhstani housebuilding industry does not increase its production capacity, it may not grow as forecasted. *The growth currently being experienced in the residential construction market in the Republic of Kazakhstan may not be sustained.* The Issuer's growth prospects depend, to a significant extent, on continued growth in the residential new build market in the Republic of Kazakhstan. The current growth in the residential construction market may not continue or the market may again contract. *Potential reduction of mortgage lending or other reductions in the availability of consumer credit could have a material adverse effect on the Issuer.* Most home purchases in the Republic of Kazakhstan are financed through mortgages or other available credit. The financial crisis might affect the financial position of consumers and led financial institutions to tighten their lending criteria, each of which may contribute to a reduction in credit available to consumers. The mortgage lending industry also may experience significant instability because of, among other factors, a decline in residential property values and an increase in mortgage delinquencies, defaults and foreclosures. *Any change in, or failure of, certain of the Kazakhstani housebuilding and home buying incentive schemes and programmes could materially affect the Issuer.* The Kazakhstani government has recognised that there are not enough homes to meet the needs of the growing and ageing population and has implemented a number of initiatives aimed at increasing the number of new homes built. Any unexpected change in incentive schemes and programmes could result in reduced residential construction activity, which could, in turn, negatively affect the demand for the Issuer's products and have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.
Description of the principal markets in which the Issuer operates	The Issuer operates exclusively in Kazakhstan predominantly in construction sector hence the majority of revenues derived from operation in the domicile market.

Principal assets of the issuer	(see table below)

	As at 31 December, KZT millions	
	2020	2019
	(audited)	
Property, plant and equipment	19	13
Inventories	9 381	6 218
Advances paid	5 039	1 750
Trade and other receivables	1 457	67

The Company's fixed assets are not pledged as of the reporting dates.

Capital resources

Book value of the Issuer's capital resources.

	As at 31 December, KZT millions	
	2020	2019
	(audited)	
Building and facilities	6	8
Machinery and equipment	11	3
Other	2	2

Inventories	As oat31 December, KZT millions	
	2020	2019
	(audited)	
Work in progress	7 054	5 305
Significant financing component	837	-
Subcontractor materials	658	746
Raw materials and supplies	410	71
Final goods	329	-
Materials transferred to production	92	96

The property of the Issuer is formed from the expense of the authorized capital, additional contributions, income from operating activities, as well as from the expense of borrowed funds and other property acquired or received by the Issuer in the prescribed manner.

Cash inflow from operating activities for the reporting period significantly increased by KZT 4 939 461 thousand due to the increase of the advances received from buyers and other receipts.
Cash inflow was mainly used to make advances and payments to suppliers.
Cash inflow from financing activities increased by KZT 378 893 thousand due to the interest-free financial aid received from related parties to financing of the construction of the Issuers facilities.
Cash is placed in current non-interest-bearing accounts and is not restricted in use.

Ownership structure (group structure)	The Issuer is a part of the large construction holding named BI Group (hereinafter referred to as the "Holding"), which is a leader at the real estate market of Kazakhstan. The Holding has been working since 1995, and its operations cover various spheres of construction, development, and engineering. The core Holding's activities are: • Construction of residential and commercial real estate objects; • Construction of roads of the regional and transnational significance; • Erection of industrial and oil-and-gas facilities; • Production of construction materials; • Development; • Management and operation of objects.
Ultimate Holding Company[1]	The Issuer is a part of the large construction holding named BI Group.
Share capital	The authorized capital of the Issuer is KZT100,000 (one hundred thousand).
SECTION 3. INFORMATION ON SECURITIES	
Class, type	Senior Unsecured Coupon Bond
ISIN	KZX000000880
Currency	KZT
Form of the Issuance	The Bonds shall be issued under the AIFC rules and regulations.
Maturity of the Bonds	Please see the respective Terms and conditions per each Tranche.
Interest/Coupon	The coupon interest due and payable for any period, shall be calculated as the product of the nominal value of the Bonds and the day-count fraction for the relevant period, rounding the resulted figure to the nearest tenge (half a tenge shall be rounded upwards). Coupon interest accrued on the Bonds shall be calculated as follows: Coupon interest accrued on the Bonds = ((k * n * c) / 360) * 180, Where: k - number of Bonds, total amount; n - nominal value of each bond, KZT; c - coupon interest rate, %. Final coupon interest shall be paid concurrently with the redemption of nominal value of the Bonds. The coupon interest on the Bonds shall be paid according to the time base of 360 (three hundred sixty) days in a year and 30 (thirty) days in a month during the entire period of circulation.
Ranking	The Bonds shall constitute direct, general and unconditional obligations of the Issuer which will rank pari passu among themselves and rank pari passu, in terms of payment rights, with all other current or future unsubordinated obligations of the Issuer, except for liabilities mandatorily preferred by law.
Restrictions on free transferability	The Bonds are freely transferrable and, once admitted to the Official List of the AIX, shall be transferable only in whole in accordance with the applicable rules and regulations of the AIX amended from time to time.

[1] Omit if not relevant.

Notices	*To Bondholders* All notices to the Bondholders shall be deemed to have been duly given if, so long as the Bonds are listed on the Official List of AIX and so long as the rules of the AIX so require, by publication (i) via AIX Regulatory Announcement Service or (ii) in writing to the holder of the Bonds by the Issuer. If the Bonds cease to be listed on the AIX, any notice shall be sent to Bondholders by regular mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the register, and any such notice shall be deemed to have been given on the fourth day after the date of mailing. *To the Issuer* Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at Kazakhstan, Nur-Sultan city, Syganak street, building 17M, postal code 010000, to the attention of Mr. Askar S. Shaizin, Director and will be deemed to have been validly given when delivered.
Rights attached to the Securities	— the right to receive a nominal value upon redemption of the Bonds in the manner and terms provided for hereby; — the right to receive a fixed interest on the Bonds from their nominal value in the time and amount stipulated hereby; — the right to receive information about the Issuer's activities and its financial condition in accordance with and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan; — the right to satisfy their claims in respect of the Bonds in cases and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan; — the right to declare all or part of the Bonds for repurchase in cases established hereby; — the right to freely sell and otherwise dispose of the Bonds; — the right to demand redemption of the Bonds by the Issuer in cases provided for hereby; — other rights arising from the ownership of the Bonds in cases and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan.

Bondholders' meeting	The Bondholders may require the Issuer to convene a meeting of the holders of the Bonds to transact matters concerning the Bonds, including the amendment of any provision of this Programme T&C. No amendment to the Programme T&C and Bonds T&C under each Tranche shall be allowed, unless it is approved by a resolution of the holders of at least three-fourths in principal amount of the Bonds then outstanding. A meeting shall be convened by the Issuer at a written request of the holders of not less than 10% (ten percent) of the total face amount of the unredeemed Bonds upon at least 30 days' notice (exclusive of the day on which notice is given and of the day on which the relevant meeting is to be held). The quorum at any meeting of the Bondholder(s) convened for voting on any matter in relation to this Programme shall constitute two or more Persons holding or representing at least 50% (fifty percent) of the total amount of the unredeemed Bonds, or, in case of a meeting in absentia, two or more Persons acting as holders of the Bonds or representatives thereof, holding or representing at least 50% (fifty percent) of the total amount of the unredeemed Bonds. Any resolution passed at any such meeting shall be binding upon all holders of the Bonds, regardless of whether they present at such meeting or not. If all outstanding Bonds are owned by a single holder, no meeting of the holders of the Bonds shall be held. For the purposes of the entire clause, "Person" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other legal entity, whether or not having separate legal personality.
Redemption	Bonds shall be redeemable at par. The redemption of the Bonds shall be made concurrently with the final payment of interest within 10 (ten) calendar days after and including the Maturity Date.

Payments	Interest on the Bonds shall be paid to Bondholders as shown on the register that the Issuer shall procure, to be kept by the AIX Registrar in accordance with AIX Registrar's regulations, at 23:59:59on the day preceding each Interest Payment Date (defined in each Bonds T&C) (the "Record Date"). Interest on the Bonds shall be paid within 10 (ten) calendar days after (and including) the relevant interest payment dates by a bank wire transfer (in KZT only) to bank accounts of the holders as stated in the register of bondholders at the Record Date. The final payment of interest shall be made concurrently with payment of the principal of the Bonds within 10 (ten) calendar days after (and including) the relevant Maturity Date. All payments in respect of the Bonds shall be made in KZT. If the date of payment of the principal of the Bonds or interest falls on a weekend or holiday, the Issuer undertakes to pay the interest or principal debt on the next business day. Each holder shall be responsible for maintaining current, complete, and accurate bank wire instructions in the AIX CSD. The Issuer shall have no liability to a holder for non-payment of interest in a timely manner due to the failure of the holder to provide required bank wire instructions. Bondholder claims for principal or interest shall become void if the Bondholder fails to provide complete and accurate bank wire instructions in the Register within 1 (one) year (in the case of principal) or within 1 (one) year (in the case of interest) of the appropriate Record Date. All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment. No commissions or expenses shall be charged to the Bondholders in respect of such payments. The Bonds are not subject to a trust deed or indenture and there is no paying agent to oversee payments of interest and principal. The Issuer will be directly responsible to affect all payments to be made pursuant to the Bonds' Programme and the respective Tranches.
Taxation	In accordance with the Law "On the Astana International Financial Centre", individuals and legal entities, residents and non-residents of the Republic of Kazakhstan shall be exempt from individual and corporate income taxes on the following: • in respect of their returns representing interest on securities (including bonds) which are included in official listings of a stock exchange as at the date of accrual of such dividends or interest. • in respect of their profit from value growth, received by the bondholders due to disposal, sale, exchange or transfer of the securities which are included in official listings of a stock exchange as at the date of such disposal, sale, exchange or transfer. All payments on debt securities in the form of a discount, increase in value or a coupon not regulated by Law "On the Astana International Financial Centre" are subject to regulation by the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget".
Authorization	The issue of the Bonds has been approved by the Resolution of the sole participant №3 dated September 30, 2021.
Clearing and Settlement	The payment and settlement will be made through the settlement system of the AIX CSD in accordance with the rules and regulations of the AIX CSD (the "AIX CSD Rules"), in particular delivery of the Bonds through AIX CSD. In order to participate in the offering of the Bonds, take delivery of the Bonds and trade the Bonds on AIX, investors are required to have an account opened with a brokerage company admitted as an AIX Trading Members and AIX CSD Participant. The Bonds will be held on behalf of investors in the relevant AIX Trading Member's custodial account at AIX CSD.

Open Market purchase	The Issuer may at any time purchase Bonds in the organized or unorganized (over-the-counter) securities markets. The purchase price of Bonds by the Issuer is determined by: (i) When concluding a transaction in the organized securities market, based on the market value on the date of the transaction; (ii) When concluding a transaction in the unorganized securities market by agreement of the parties to the transaction. Any such purchased Bonds will not be considered as redeemed and may be further resold by the Issuer. The purchase of Bonds by the Issuer shall not entail a violation of the rights of other bondholders.
Applicable law and jurisdiction	The Bonds and any non-contractual obligations arising out of, or in connection with, the Bonds shall be governed by, and construed in accordance with, the laws of AIFC. The Issuer has agreed herein the conditions in favor of the Bondholders of the Bonds that any claim, dispute or discrepancy of any nature arising out of, or in connection with, the Bonds (including claims, disputes or discrepancies regarding the existence, termination thereof, or any non-contractual obligations arising out of, or in connection with, the Bonds) shall be brought to, and finally resolved by, the Court of the AIFC in accordance with the rules thereof.
SECTION 4. KEY INFORMATION ON THE ADMISSION TO TRADING	
Registrar	AIX Registrar, a company incorporated in AIFC under company identification number 180840900010 with its registered office at Mangilik El Avenue, building 15, Nur-Sultan, Kazakhstan. The AIX Registrar shall keep register of holders of securities and record transfer of title to securities between the respective holders thereof pursuant to the Registry Services Agreement between the Issuer and AIX Registrar.
Depository	Astana International Exchange Central Securities Depository Limited (AIX CSD) AIX CSD holds securities for AIX Market Participants and their clients and facilitates the clearance and settlement of securities transactions between these participants through electronic book entry changes in accounts of such participants.
Details of the admission to an Official List of Securities and trading	Please see the respective Bonds T&C per each Tranche.
Specified Currency	Kazakhstani Tenge.
Nominal Value	Please see the respective Bonds T&C per each Tranche.
Quantity	Please see the respective Bonds T&C per each Tranche.
Issue Price	The Issue Price of the Bonds at the Issue Date is expected to be 100% of the Nominal Value.
Interest Commencement Date	Please see the respective Bonds T&C per each Tranche.
Maturity Date	Please see the respective Bonds T&C per each Tranche.
Rate of Interest	Please see the respective Bonds T&C per each Tranche.
Notification Process for Investors	Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the AIX or prior to the said notification.
Interest Payment Dates	Please see the respective Bonds T&C per each Tranche.
Estimated Expenses	Fees associated with admission of the Bonds to the Official List of the AIX and to trading on the AIX pursuant to the AIX Fee Schedule. Please see the respective Bonds T&C per each Tranche.

Estimated Net Amount of Proceeds	Please see the respective Bonds T&C per each Tranche.
Potential Investors	The Bonds will be publicly offered to Accredited investors only in accordance with 16-1 of the AIX Markets Listing Rules.

Askar S. Shaizin
Director

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АСТАНА ҚАЛАСЫ ЖАУАПКЕРШІЛІГІ ШЕКТЕУЛІ СЕРІКТЕСТІГІ "Midvest" ТОВАРИЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ ГОРОД АСТАНА РЕСПУБЛИКА КАЗАХСТАН

Attachment 1: **YE2020 Audited Financial Statements of the Issuer. Unaudited Financial Statements of the Issuer for the 6-month period ended 30 June 2021.**

MIDVEST LLP

Separate financial statements
for the year ended December 31, 2020,

Independent auditor's report

Separate financial statements

To the member of Midvest LLP

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the separate financial statements of Midvest LLP (hereinafter – the Company), which comprise the separate statement of financial position on December 31, 2020, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company on December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for expression of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities in accordance with these standards are described further in the "Auditor's Responsibility for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics of Professional Accountants of the Council on International Ethics Standards for Accountants (CIESA Code), and we have fulfilled other ethical obligations in accordance with the CIESA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to warrant the expression of our opinion.

Important circumstances - preparation of separate financial statements

The Company's separate financial statements for 2019 have not been audited. The Company was audited as part of the parent company consolidation for 2019.

Responsibilities of the management of the Company and those responsible for corporate governance for separate financial statements

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

In preparing the separate 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 separate financial statements of the Company.

Responsibility of the auditor for the audit of separate financial statements

Our goal is to obtain reasonable assurance that the separate 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 separate 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 separate financial statements as a whole, its structure and content, including disclosure of information, as well as whether the separate financial statements represent the underlying operations and events in such a way that their reliable presentation is ensured.

We carry out information interaction with persons responsible for corporate governance, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify during the audit process.

Shyngysbek Sartayev
General Director
PC Russell Bedford A+ Partners Ltd.

АУДИТОР
біліктілік куәлігі
МФ-0000297

License for auxiliary services
No. AFSA-A-LA-2020-0024, issued by AFSA,
the regulatory authority of AIFC on July 1, 2020.

The qualification certificate of the auditor No. MF-0000297
dated November 9, 2015.

Nur-Sultan the Republic of Kazakhstan Astana Financial Services Authority
Частная компания Russell Bedford A+ Partners Ltd

SEPARATE STATEMENT OF FINANCIAL POSITION
for the year ended December 31, 2020

In thousands of Kazakhstani tenge	Note	December 31, 2020	December 31, 2019
Assets			
Non-current assets			
Deferred tax assets	4	22 783	215 062
Property, plant and equipment	5	19 482	12 699
Total		**42 265**	**227 761**
Assets			
Currnt assets			
Inventories	6	9 380 574	6 217 907
Advances paid	7	5 038 604	1 749 811
Trade and other receivables	8	1 457 183	67 323
Prepayment for taxes and other obligatory payments	9	26 763	142
Cash and cash equivalents	10	1 422	240 356
Total current assets		**15 904 546**	**8 275 539**
Total assets		**15 946 811**	**8 503 300**
Equity and liabilities			
Equity			
Retained earnings		1 087 676	163 670
Authorized capital	11	100	100
Total equity		**1 087 776**	**163 770**
Non-current liabilities			
Provisions	12	47 623	-
Total non-current liabilities		**47 623**	**-**
Current liabilities			
Liabilities under the contract	13	12 694 784	6 305 197
Trade and other payables	14	1 033 103	280 654
Provisions	12	1 706	-
Loans received	15	537 751	1 495 648
Advances received	16	408 705	257 236
Liabilities for taxes and obligatory payments	17	135 363	795
Total current liabilities		**14 811 412**	**8 339 530**
Total liabilities		**14 859 035**	**8 339 530**
Total equity and liabilities		**15 946 811**	**8 503 300**

The notes on pages from 5 to 27 are an integral part of the separate financial statements.

Director *Shayzin A.S.*

Chief Accountant *Not provided*

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АСТАНА ҚАЛАСЫ ЖАУАПКЕРШІЛІГІ ШЕКТЕУЛІ СЕРІКТЕСТІГІ "Midvest" ТОВАРИЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ ГОРОД АСТАНА РЕСПУБЛИКА КАЗАХСТАН

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended December 31, 2020

In thousands of Kazakhstani tenge	Note	2020	2019
Revenue	18	6 066 668	-
Cost of goods sold	19	(4 705 260)	-
Gross profit		**1 361 408**	**-**
General and administrative expenses	20	(75 218)	(31 269)
Selling expenses	21	(5 011)	(2 829)
Loss from impairment of financial assets, net	22	(70 961)	(270)
Other operational income	23	4 410	847
Other operational expenses	24	(35 595)	(10 702)
Result from operating activities		**1 179 033**	**(44 223)**
Positive exchange rate difference, net		800	198
Profit before tax		**1 179 833**	**(44 025)**
Income tax expenses	25	(255 827)	(94)
Profit for the year		**924 006**	**(44 119)**
Total comprehensive income for the year		**924 006**	**(44 119)**

The notes on pages from 5 to 27 are an integral part of the separate financial statements.

Director _______________ *Shayzin A.S.*

Chief Accountant _______________ *Not provided*

SEPARATE STATEMENT OF CASH FLOWS
for the year ended December 31, 2020

In thousands of Kazakhstani tenge	Note	2020	2019
Cash flows from operating activities			
Cash inflow, total		**9 403 853**	**4 464 392**
including:			
sale of goods and services		1 542	75
advances received from buyers, customers		5 177 527	4 445 055
remunerations received		-	
other receipts		4 224 784	19 262
Cash outflow, total		**(8 684 762)**	**(4 176 756)**
including:			
advances paid to suppliers of goods and services		(5 424 168)	(1 088 012)
payments to suppliers for goods and services		(3 151 358)	(2 997 963)
wage payments		(45 958)	(53 438)
income tax and other payments to the budget		(11 947)	(24 279)
other payments		(51 331)	(13 064)
Net cash flows from operating activities		**719 091**	**287 636**
Cash flows from investing activities			
Cash inflow, total		-	-
including:			
sale of property, plant and equipment		-	-
Cash outflow, total		-	-
including:			
purchase of property, plant and equipment		-	-
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Cash inflow, total		**575 852**	**196 959**
including:			
other receipts – loan		575 852	196 959
Cash outflow, total		**(1 533 749)**	**(244 729)**
including:			
other disposals – loan		(1 533 749)	(244 729)
Net cash flows from financing activities		**(957 897)**	**(47 770)**
Effect of exchange rates of currencies to tenge		(128)	98
Increase +/- decrease in cash		**(238 934)**	**239 964**
Cash and cash equivalents at the beginning of the reporting period		**240 356**	**392**
Cash and cash equivalents at the end of the reporting period		**1 422**	**240 356**

The notes on pages from 5 to 27 are an integral part of the separate financial statements.

Director _______________ *Shayzin A.S.*

Chief Accountant _______________ *Not provided*

SEPARATE STATEMENT OF CHANGES IN EQUITY
for the year ended December 31, 2020

In thousands of Kazakhstani tenge	**Authorized capital**	**Retained earnings / (uncovered loss)**	**Total**
On January 1, 2019	**100**	**207 789**	**207 889**
Profit for the year		(44 119)	(44 119)
Total comprehensive income		**(44 119)**	**(44 119)**
On December 31, 2019	**100**	**163 670**	**163 770**
Profit for the year		924 006	924 006
Total comprehensive income		**924 006**	**924 006**
On December 31, 2020	**100**	**1 087 676**	**1 087 776**

The notes on pages from 5 to 27 are an integral part of the separate financial statements.

Director _______________ *Shayzin A.S.*

Chief Accountant _______________ *Not provided*

1. General information

Midvest Limited Liability Partnership (hereinafter - the Company) was established on July 27, 2016, BIN 160740022225. The sole member of the Company is Nova City Development Limited Liability Partnership.

The amount of the authorized capital of Midvest LLP is 100 thousand tenge.

Legal and actual address: 17M, E10 street, Esil district, Nur-Sultan city, 010000, Republic of Kazakhstan.

The principal activities of the Company are: investments in construction, construction of business centers, shopping and entertainment complexes, housing, cultural and social facilities, construction and installation works, construction and repair and construction works.

The Company has no subsidiaries on December 31, 2020 and 2019.

2. Basis for preparing financial statements

2.1. Statement of compliance

The separate financial statements of the Company for the year ended December 31, 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the IASB.

2.2. Significant accounting judgments and estimates

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and assets. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Fair value of financial instruments

In cases where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation models including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the separate financial statements.

2.3. Functional and presentation currency of the separate financial statements

The national currency of the Republic of Kazakhstan is Kazakhstani tenge, which is the Company's functional currency and the currency used in the preparation of separate financial statements in accordance with International Financial Reporting Standards.

All financial information presented in Kazakhstani tenge has been rounded to the nearest thousand tenge, unless otherwise stated.

2.4. Going concern principle

These separate financial statements have been prepared under the assumption that the Company is and will be in operation for the foreseeable future. Therefore, it is assumed that:

- the Company does not intend or need to liquidate or significantly curtail its operations; and
- the sale of assets and settlement of liabilities will occur in the ordinary course of business in the foreseeable future.

The separate financial statements do not contain the adjustments necessary if the Company could not continue as going concern.

2.5. Accrual basis

These separate financial statements are prepared in accordance with the accrual principle. The principle of accrual is provided by the recognition of the results of business operations, as well as events that are not the result of economic activities of the organization, but have an impact on their financial position, upon their occurrence, regardless of the time of payment. Transactions and events are reflected in the accounting and included in the financial statements of the periods to which they relate.

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2.6. Recognition of elements of financial statements

The separate financial statements include all transactions and events that meet the definition of financial reporting elements and the condition of their recognition:
- the Company is reasonably certain that any economic benefit attributable to the item will be realized (or lost);
- the item has a value or valuation that can be measured reliably.

All elements of the financial statements are presented in the separate statement of financial position and the separate statement of profit or loss and other comprehensive income as line items. Several elements of financial statements are combined into one item, taking into account their features (functions) in the Company's activities.

2.7. Sequence of presentation

The presentation and classification of items in the separate financial statements are maintained from one period to the next. Significant revisions to the presentation of the separate financial statements may require changes to the presentation of the financial statements. The Company changes the presentation of the separate financial statements only if the changed presentation provides information that is reliable and more meaningful to users of the financial statements, and the revised structure is likely to be maintained and comparability of information is not impaired.

2.8. Offsetting

The Company offsets assets and liabilities only when required or permitted by other sections of these accounting policies. Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously.
Income and expense items should be offset in the following cases:

1) any particular International Financial Reporting Standard requires or permits it; or
2) profits, losses and related expenses resulting from the same or similar transactions and events are not material.

If these criteria are not met, offsetting is not performed even when income and expenses relate to the same operating activity, or the same operating segment.
It is important that both assets and liabilities, as well as revenues and expenses, be reported separately when they are material. Offsetting, unless it reflects the substance of a transaction or event, reduces the ability of users to understand transactions that have occurred and to estimate future cash flows of the Company. Reporting assets less valuation provisions does not constitute offsetting.

3. Key provisions of the accounting policy

The accounting policies are specific principles, bases, regulations, rules and practices adopted by the Company for accounting and preparation of consolidated and separate financial statements, including preparation of comparative information for the previous reporting periods, in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.
The following are the principal accounting policies applied by the Company in the preparation of its separate financial statements for the year 2020. These provisions have been consistently applied to all periods presented in the statements, except for the effect of changes in IFRS effective from January 1, 2019.

3.1. Property, plant and equipment

At initial recognition, property, plant and equipment are measured at historical cost (cost of goods sold). After initial recognition as an asset, an item of property, plant and equipment shall be carried at its historical cost less accumulated depreciation and accumulated impairment losses.

The Company does not account for the purchase of an interest in any other organization with only PPE on its balance (e.g., land), but rather as the purchase of PPE and, accordingly, records the purchase price at the cost of PPE.

Useful life of property, plant and equipment
The Company uses the straight-line method of depreciation.
Property, plant and equipment primarily include the following classes of property, plant and equipment, which are depreciated over the following useful lives:

Buildings other than residential	8-40 years
Residential buildings	8-40 years
Constructions	2-10 years
Machinery and equipment	2-30 years
Vehicles	5-10 years
Furniture and furniture components/accessories	2-10 years
Computers and accessories	2-5 years
Tools, industrial equipment and supplies	2-5 years
Other PPE (all other, not shown in previous categories)	2-20 years

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The useful life of an asset is determined taking into account the expected utility of the asset for the Company and can be determined by the Company independently or by engaging an appraiser.
If expectations differ from previous expectations, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. This accounting estimate may have a material impact on the residual value of property, plant and equipment and on depreciation recognized in the separate statement of profit or loss and other comprehensive income.
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the reporting period when the asset is derecognized.

3.2. Investment property

Investment property is initially measured at actual expenses. The actual expenses for purchase of investment property include the purchase price and any direct costs.
Investment property is measured at initial cost. The initial cost model requires investment properties to be accounted for in accordance with IAS 16 under a similar model, i.e., at cost less accumulated depreciation and impairment losses recognized under IAS 36 Impairment of Assets.

3.3. Intangible assets

Intangible assets are measured initially at initial cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized product development costs, are not capitalized and the related expense is recognized in profit or loss in the reporting period in which it occurs.
The Company's intangible assets consist primarily of computer software and licenses. Intangible assets are amortized on a straight-line basis over the estimated useful lives of 3 to 20 years.

The Company uses the following useful lives for other intangible assets from 1 to 20 years for the purposes of the financial statements.

Licenses and software	1-10 years
Trademark	5-20 years
Other intangible assets	1-10 years

The useful life period is determined for a specific IA or group of IA included in the category of other IA, but cannot be longer or shorter than this period.
The Company proceeds from the assumption that economic benefits from the use of intangible assets are consumed uniformly during the useful life of objects and uses the straight-line method for amortization of intangible assets.
The straight-line method of amortization is applied consistently from period to period unless there is a change in the pattern of consumption of the economic benefits expected to be derived from the use of the intangible asset.
The intangible asset is removed from the Company's balance on disposal or when a decision is made to cease use of the asset and no further economic benefits are expected from its use or disposal. The financial result from the retirement or disposal of intangible assets is determined as the difference between the net disposal proceeds and the carrying amount of intangible assets and is recorded in the appropriate profit or loss lines. The carrying amount is defined as the difference between the initial value of an intangible asset and its accumulated amortization (taking into account the impairment provision).

3.4. Financial instruments

The Company recognizes a financial asset or financial liability in its statement of financial position only when it becomes a party to the contractual provisions of the instrument. Regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.
All financial assets and liabilities, other than trade receivables, are initially recognized at fair value plus, in the case of financial assets and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability.
The best evidence of the fair value of a financial instrument at initial recognition is the transaction price. If the fair value of the transaction differs from the transaction price, the Company should account for the instrument as a significant financing component as follows:
1) at fair value evidenced by a quoted price for an identical asset or liability in an open market (Level 1 inputs) or based on a valuation model using observable market data. The Company must recognize the difference between the fair value at initial recognition and the transaction price in profit or loss;
2) in all other cases, in the amount of the fair value measurement adjusted to defer the difference between the fair value at initial recognition and the transaction price. The Company should recognize this deferred difference as a prfit or loss only to the extent that it arises from a change in a factor (including timing) that market participants would consider in setting the price of the asset or liability.
Trade receivables that do not contain a significant financing component are recognized at the transaction cost as defined in IFRS 15 Revenue from Contracts with Customers.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUATION)

Financial assets carried at amortized cost
A financial asset is carried at amortized cost if two criteria are met:
1) The purpose of the business model is to hold a financial asset to generate all contractual cash flows; and
2) Contractual cash flows are represented only by interest and principal payments.

If at least one of the above criteria is not met, the financial asset is measured at fair value. If both criteria are met, the Company has the option to designate the financial asset as at fair value through profit or loss if such designation reduces or eliminates an accounting mismatch.

Financial assets at fair value through other comprehensive income
Financial assets of the Company that are not carried at amortized cost are carried at fair value. The financial asset is carried at fair value through other comprehensive income if two criteria are met:
1) The purpose of the business model is to hold the financial asset both to receive all contractual cash flows and by selling the financial asset; and
2) The contractual cash flows are represented by interest and principal payments only.
IFRS 9 requires that all equity instruments be measured at fair value. However, the Company has the right to irrevocably recognize in other comprehensive income unrealized and realized gains and losses from changes in the fair value of equity instruments that are not held for sale. If that right is exercised, dividends should still be recognized in profit or loss (unless they clearly represent a partial return on the investment). This option is available on initial recognition of the instrument (on an instrument-by-instrument basis) without a subsequent reclassification to profit or loss.

Impairment of financial assets
The application of IFRS 9 has radically changed the Company's accounting for impairment losses on financial assets. The IAS 39 method based on incurred losses has been replaced by the expected credit loss (ECL) model.

IFRS 9 requires the Company to recognize a valuation provision for expected credit losses for all debt financial assets not measured at fair value through profit or loss.

Expected credit losses are calculated as the difference between the cash flows due to the entity under the contract and all cash flows the Company expects to receive. The shortfall is then discounted at a rate approximately equal to the original effective interest rate of the asset.

The Company applied the simplified approach prescribed by the standard for trade and other receivables and financial lease receivables and calculated the expected credit losses over the entire term. The Company used the valuation provision matrix based on its past experience with credit losses, adjusted for facts specific to borrowers and general economic conditions.

Financial liabilities
The Company classifies its financial liabilities within the scope of IFRS 9 as follows:
- financial liabilities at fair value through profit or loss;
- guarantee liabilities and accounts payable.

The Company's financial liabilities are represented by trade payables and guarantee liabilities. After initial recognition, accounts payable are carried at amortized cost using the effective interest method.
Income and expenses are recognized in profit or loss when liabilities are derecognized or impaired, as well as through the amortization process.

Derecognition of financial assets and liabilities
A *financial asset* is derecognized if:
- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to transfer them in full without material delay to a third party;
- the Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A *financial liability* is derecognized when the liability is repaid, cancelled, or expired.
Such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, when an existing financial liability is replaced by another from the same lender on different terms, or the terms of an existing liability are substantially modified. The difference in the carrying amount is recognized in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the separate statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

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Subsequent valuation of financial assets

Financial assets are subsequently measured at amortized cost or at fair value through other comprehensive income or through profit or loss based on the Company's business model for managing financial assets. The business model is determined by the Company's management.

The Company exercises judgment in determining the level at which the business model is applied. The determination is based on how management manages the business and is not made on an individual financial asset basis. Therefore, the Company's business model is not a choice and is not dependent upon management's intent with respect to an individual asset; the business model is a consequence of the fact of how the Company is managed and how information is presented to management.

Another condition necessary to recognize a financial asset at amortized cost is that the contractual terms of the financial asset give rise on specified dates to cash flows that are "solely payments of principal and interest on the principal outstanding".

Contractual terms that permit the holder to extend the contractual term of a debt instrument are also "payments of principal and interest only", provided that, during the extension period, the contractual cash flows are payments of principal and interest only and the terms are not contingent on future events.

Write-off of financial asset

The Company directly decreases the carrying amount of the financial asset if there is no reasonable expectation of recovering the asset in full or in part. The write-off is an event that results in the derecognition of the financial asset.

Recognition of expected credit losses

The impairment model based on expected credit losses will be applied to debt instruments measured at amortized cost or at fair value through other comprehensive income, lease receivables, contract assets and certain written commitments to extend loans and financial guarantee contracts.

The provision for possible credit losses will be provided for expected losses for either 12 months or the entire life cycle. The latter option applies when credit risk has increased significantly since the initial recognition of the financial instrument. A different approach is used for acquired or originated financial assets for impaired loans (e.g., bad debts).

The Company recognizes *valuation provision for expected credit losses* on financial assets measured at amortized cost and at fair value through other comprehensive income in an amount equal to the *expected credit losses* over the entire term if the credit loss has increased significantly since initial recognition. The Company does not reduce the carrying amount of the financial asset measured at fair value through other comprehensive income, but recognizes the valuation provision in other comprehensive income.

Valuation of expected credit losses

The Company groups financial instruments for the purposes of determining a significant increase in credit risk and recognizing the valuation provision for losses on a group basis in order to facilitate analysis to ensure timely identification of a significant increase in credit risk, based on the following credit risk characteristics:

1) type of instrument;
2) credit risk ratings;
3) date of initial recognition;
4) remaining term until maturity;
5) industry;
6) geographic location of the borrower.

The calculation of the provision for impairment losses is made in accordance with the Company's guidance on calculating the provision for impairment losses under IFRS 9.

Changes in fair value attributable to own credit risk are shown separately in other comprehensive income for financial liabilities at fair value through profit or loss.

Amounts recognized in other comprehensive income are not reclassified from other comprehensive income to profit or loss even when the liability is derecognized and the amounts are realized. However, the standard permits transfers within equity.

3.5. Inventories

The Company uses the weighted average cost method to estimate the cost of inventory. When the weighted-average cost method is used, the cost of each item is determined based on the weighted-average cost of similar items at the beginning of the period and the cost of similar items purchased during the period.

When the Company subsequently accounts for inventories unused during the construction of the project for which they were purchased, inventories are valued at the lower of cost and net realizable value. If the actual cost of any type of inventories exceeds the possible net realizable value, a provision for impairment of the respective type of inventories is made at the end of the reporting period upon completion of construction.

Principles of land valuation

Land plots are taken into account in determining their net realizable value. Land plots used in construction activities take into account the completed facility of which they will be a part, i.e., the land is considered together with the facility as a single generating unit for the purposes of the impairment test. The carrying value of plots is reduced only when the constructed object is expected to be sold at a price lower than the purchase price. In other words, the cost of a site

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will be written off if the gross profit on the entire property built on that site is negative. The write-off of the site is recorded at an amount at which the gross profit of the entire project would be zero.
The appraisal uses conditional assumptions as to what the situation would have been during the construction period until the property was completed.
The net realizable value of other plots (not used in production) is based on market prices.

3.6. Cash

Cash and cash equivalents include:
1) cash on hand in national and foreign currency
2) cash at settlement accounts in tenge: used to reflect information on presence and movement of cash in tenge at current accounts of the Company, to reflect overdraft in tenge;
3) cash on currency accounts: used to reflect information on availability and movement of cash in foreign currency on current accounts of the Company;
4) cash on deposit accounts in tenge and in foreign currency;
5) other cash and cash equivalents: short-term and highly liquid investments, easily convertible into known amount of cash in advance and exposed to insignificant risk of change in their value
6) cash in transit: used to reflect information on availability and movement of cash on transit currency accounts.

Restricted cash is not included in cash and cash equivalents and is presented in the statement of financial position within other current or non-current assets depending on the period for which it is restricted, or as a separate line item if its amount is significant.

Other cash equivalents also include short-term deposits with an original maturity of not more than three months, as well as funds placed on deposit accounts that are easily convertible to a certain amount of cash and are subject to insignificant risk of changes in value. Deposit accounts in tenge and currency (not exceeding three months), as well as funds placed on deposit accounts easily convertible to a certain amount of cash and subject to insignificant risk of changes in value are used for their accounting;

Amounts of cash and cash equivalents restricted for use within less than 12 months after the reporting date are recorded as current assets.
Deposits placed for more than three months (i.e., a bank deposit agreement is entered into for more than three months) are treated as investments and are subdivided into:
1) short-term – for a period of up to 12 months; and
2) long-term – for a period over 12 months, long-term deposits, being a financial instrument, are accounted in accordance with the section "Financial Instruments"

Deposits with an original maturity of more than 3 months, which the Company can withdraw at any time while retaining the right to receive substantially all of the previously accrued interest, are also recognized by the Company as cash equivalents because such deposits are readily convertible to known amounts of cash with little risk of change in value.

Transactions in foreign currencies are recorded at the market exchange rate at the date of the transaction. Account balances in foreign currency are subject to revaluation at the official exchange rate of the National Bank of Kazakhstan as of the reporting date.
The exchange rate difference arising from revaluation of cash balances on accounts in foreign currency as of the reporting date shall be recognized as income or expense in the period of its occurrence in profits and losses. This exchange difference shall be reflected on the accounts of negative/positive exchange rate differences.

Restricted cash, whether due to contractual or other legal conditions, is designated "Restricted cash" account to facilitate its continued recognition in the statement of financial position. Restricted cash includes:
1) cash reserved in the form of an obligation (e.g. a letter of credit) for the purchase of an asset or as security for the following loan payments;
2) cash in accounts seized by tax or other state authorities;
3) cash in accounts "frozen" in the banks, whose banking license has been revoked
4) cash and cash equivalents with other legal restrictions, which prevent their normal use.

Impairment of cash
In order to reflect the real amount of cash, provision is made for expected credit losses on cash. Provision is made for current, deposit and savings accounts with banks according to their external credit rating. Creation of provision is reflected on the credit of cash accounting accounts (account "Valuation provision for impairment losses of cash") and is reflected in the profit and loss account within general and administrative expenses (account "Administrative expenses").
The Company is required to disclose the composition of cash and cash equivalents and reconcile the amounts in the statement of cash flows to the equisvalent items presented in the statement of financial position.
It is also recommended that the following additional information be disclosed in the notes to the financial statements:
1) amounts of unused borrowed funds available for future operating activities;

2) amounts of cash flows from operating, investing and financing activities for each of the reporting segments.

3.7. Provisions, contingent liabilities and contingent assets

A provision is recognized 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 the amount of the obligation can be reliably estimated.
If the existence or absence of an existing obligation is unclear, a past event is considered to give rise to an existing liability provided that, taking into account all available information, it is more likely than not that an existing obligation exists at the reporting date. However, the existence of an obligation does not depend on whether the party to whom the liability arises is known. If the Company retains the ability to avoid certain expenses in order to continue operations in the future, no liability arises for these expenses and no provision is recognized. The Company recognizes only those liabilities that exist at the end of the reporting period.
An outflow of provisions or other event is considered probable if it is more likely than not that the event will occur. The Company does not make provisions for future operational losses.

Recognition of contingent liabilities
The Company does not recognize contingent liabilities. Where the Company is jointly and severally liable for a liability, the portion of the liability expected to be settled by other parties is considered a contingent liability. Contingent liabilities are assessed on an ongoing basis to determine whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a provision is recognized in the period in which the estimate of the obligation changes.

Recognition of contingent assets
The Company does not recognize contingent assets. The contingent asset is disclosed in the financial statements if it appears probable that economic benefits will flow to the Company. If the receipt of economic benefits is characterized by an exceptionally high degree of certainty, the respective asset is not a contingent asset and is recognized in the financial statements.

Provisions should be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision must be reversed. Only expenditures for which the reserve was originally established are written off.
Future operational losses. The Company does not make provisions for future operational losses because they do not meet the definition of a liability and the general recognition criteria established for provisions.
Onerous contracts. The Company makes provisions for future losses related to onerous contracts. For example, if the Company has a long-term contract for the delivery of goods for which the delivery price is lower than the cost of production, a provision is created in the amount of unrecoverable costs, at the lowest amount: the contract termination penalty or the discounted amount of the loss. Before a provision for an onerous contract is established, the Company recognizes any impairment loss on the assets related to that contract.

3.8. Employee benefits

The Company does not provide post-employment benefits (e.g., defined benefit pension plans).
The Company recognizes the undiscounted amount of short-term employee benefits payable in exchange for services rendered by the employee:
1) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount payable, the Company recognizes the excess as an asset (advances paid) to the extent that the prepayment will reduce future payments or cash refunds; and
2) As an operational expense in the period in which the service is rendered (unless the consideration is capitalized as an asset). Short-term employee benefit expense is recognized in profit or loss in:
- cost of goods sold - on short-term remuneration to employees engaged in the process of construction, production of goods, performance of works or rendering of services;
- general and administrative expenses - on short-term remuneration to employees related to administrative and managerial personnel;
- selling expenses - short-term remunerations to the workers related to the process of selling goods, works and services (sales, logistics, marketing workers).

The Company creates a provision for expenses on future vacations in order to expense them on an even basis.
Although this section of the accounting policy does not require specific disclosure with respect to short-term employee benefits, it may be required by other sections such as Related Parties, which requires disclosure of key management personnel benefits, and Presentation of Financial Statements, which requires disclosure of the amount of employee benefit expenses.

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3.9. Revenue

The main activity of the Company is related to construction, namely investments in construction, construction of business centers, shopping and entertainment complexes, objects of residential cultural, social and domestic purposes and other services according to the statutory activities of the Company.
For the purposes of the financial statements, the Company uses the following classification of revenues:
1) Revenue from contracts with customers:
- Sales of multi-storey residential complexes (MSRC), individual residential construction (IRC), ready-to-use offices (commercial real estate), parking lots, etc. For these types of objects the Company acts as a developer for customers.
- Implementation of services for the construction of industrial facilities, roads of regional and transnational significance. For these types of projects, the Company acts as a contractor for the customers.
- Sale of construction and installation works
- The production and sale of building materials and reinforced concrete products
- Implementing services for the organization and management of infrastructure construction for customers on the basis of design and estimate documentation
- Leasing services of hotel rooms
- Office leasing services
2) Non-operational income:
- Financial income:
    interest income on cash and cash equivalents and amounts due from credit institutions;
    income from changes in the fair value of financial instruments;
    income from financial leasing; other financial income;
- Positive exchange rate difference;
- Income from the disposal of investments (subsidiaries or associates);
- Other non-operational income.

Determining the transaction cost
The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both. If the consideration promised in a contract includes a variable amount, the Company would estimate the amount of consideration to which it would be entitled in exchange for transferring the promised goods or services to the customer. The amount of consideration may vary because of discounts, special discounts, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The promised reimbursement may also vary if the Company's right to reimbursement is contingent upon the occurrence or non-occurrence of a future event. For example, the amount of the consideration would be variable if the products were sold with a right of return or if a fixed amount was promised as a performance bonus upon completion of a particular milestone.
The Company must estimate the amount of the variable consideration using one of the following methods, whichever better predicts the amount of consideration to which the Company will be entitled:
1) Expected value is the sum of the probability-weighted values of expected compensation from a range of possible values. The expected value can be an appropriate estimate of the amount of variable consideration if the Company has a large number of contracts with similar characteristics.
2) The most likely amount is the single most likely value of the expected consideration from a range of possible values (i.e., the single most likely outcome of the contract). The most likely amount may be an appropriate estimate of the amount of variable consideration if the contract has only two possible outcomes (e.g., the entity either receives a performance bonus or it does not).

The Company must apply one method consistently throughout the contract when estimating the effect of uncertainty on the amount of variable consideration to which it will be entitled. In addition, the Company must analyse all information (historical, current and projected) that is reasonably available and identify a reasonable number of possible consideration amounts.
The Company must include some or all of the variable consideration in the transaction price only to the extent that it is highly probable that the subsequent resolution of the uncertainty inherent in the variable consideration will not significantly reduce the amount recognised in the cumulative total of revenues.

Significant financing component
The Company should adjust the promised amount of consideration for the effect of the time value of money if the timing of the payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant financing benefit from the transfer of goods or services to the customer. In such circumstances, the contract contains a significant financing component. When adjusting the promised consideration for a significant financing component, the Company uses the discount rate that would apply to a separate financing transaction between the Company and the customer at contract inception. This rate would reflect the credit characteristics of the party receiving the financing under the contract and the collateral or security provided by the customer or the Company, including the assets transferred under the contract. The Company determines the discount rate by identifying the rate that discounts the nominal amount of promised consideration to the price the customer would have paid in cash for the goods or services at the time (or as) they are transferred to the customer. The Company does not adjust the discount rate for changes in interest rates or other circumstances (e.g., a change in the customer's credit risk assessment) after the contract is entered into.

Recognition

Revenue from the provision of services is recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided under the arrangement.

In some circumstances (e.g., in the early stages of fulfilling a contract), the Company may not be able to reasonably estimate the outcome of a performance obligation, but still expect to recover the costs incurred to satisfy the performance obligation. In these circumstances, until the Company can reasonably estimate the outcome of the performance obligation, the Company recognizes revenue only to the extent of costs incurred.

In applying the results method, the Company uses a practical expedient with respect to the "right to invoice". The Company recognizes revenue at the amount for which it has a right to invoice if the Company has a right to recover from the customer an amount that corresponds directly to the value to the customer of the Company's results of operations completed to the current date.

Revenue from the sale of goods is recognized when control of those goods passes to the customer; accordingly, the entity satisfies a performance obligation by transferring the promised good or service to the customer.

For **Authorized Companies** performing construction of multi-storey residential complexes, individual housing construction, the revenue is to be recognized at the moment, the moment is **the date of signing the act of commissioning**. Management of the Company considers the obligations under the contract as fulfilled, and also confirms the transfer of control to the client and its ability to receive all remaining benefits from the use of the asset. Revenue at the moment of signing the act of commissioning is recognized for all entered into share participation agreements (SPA).

Revenue from finished goods sold after the act of commissioning is recognized immediately upon signing the transfer agreement or sale agreement with the customer.

Revenues for **General Contractors, Contractors** in the residential, civil and industrial construction industry, road construction and infrastructure construction organization and management services for the customer based on design and estimate documents are recognized over time, the method chosen is the resource method. Management should conduct an analysis to determine the method used (resources or results) for each newly awarded contract. And also analyze each new contract for the timing of revenue recognition at or over time.

For a group of companies in the commercial real estate management and operations industry, management shall analyze each new contract for the time of revenue recognition at or over time.

Lease revenue is not within the scope of IFRS 15 Revenue.

The Company must present the contract on its balance either as a contract asset or as a contract liability, depending on the relationship between the Company's performance under the contract and the customer's payments. The Company must present separately as a receivable unconditional reimbursement rights.

A receivable is the Company's right to reimbursement that is unconditional. The right to reimbursement is unconditional if the occurrence of the moment when such reimbursement becomes due is only due to the passage of time. The Company is required to account for receivables in accordance with IFRS 9. After the initial recognition of the contract receivable, any difference between the measurement of the receivable under IFRS 9 and the related amount of revenue recognised must be presented as an expense (e.g., as an impairment loss).

3.10. Expenses

Expenses are recognized as incurred and are reported in the Company's financial statements on an accrual basis in the period to which they relate.

Expenses include expenses necessary to generate income from sales (expenses included in cost of sales), general and administrative expenses, selling expenses, financial and other expenses (losses) arising in the ordinary course of the Company's business.

3.11. Impairment of assets

At each reporting date, management assesses whether there is any indication of impairment of assets. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount of the asset is reduced to its recoverable amount; an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset exceeds its recoverable amount. If there has been a change in estimates that causes the asset's recoverable amount to increase, any impairment loss recognized for the asset in prior years is reversed.

Impairment of financial assets is discussed under "Financial Instruments".

3.12. Lease

The Company must assess at contract inception whether the contract as a whole or its separate components is a lease. A contract is, or contains components of, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company is required to account for each lease component of a contract as a lease separate from the non-lease components of the contract unless the Company applies a practical expedient.

Lessor
If the contract contains a lease component and one or more additional components that are or are not leases, the lessor must allocate the consideration under the contract.
Lessee
As a practical expedient, a lessee may elect (for a separate class of underlying asset) not to separate non-lease components from lease components and instead account for each lease component and the corresponding non-lease components as a single lease component. A lessee is not required to apply this practical expedient to embedded derivatives that meet the criteria in IFRS 9 *Financial Instruments.*

The lessee has the right to apply the following exceptions:
a) short-term leases (leases of 12 months or less, subject to the effect of the possibility of extending the term);
b) leass of low-value assets.

Accounting for financial leases with the lessor
At the beginning of the lease term, the lessor must recognize the lease receivable in its statement of financial position. The amount of the receivable must equal the net investment in the lease.
Net investment in the lease is equal to the payments unpaid at lease commencement, discounted to present value (just as recorded in the tenant's accounting) plus initial direct costs.

Accounting for operational leases with the lessor
The lessor shall recognise lease payments under an operating lease as income on a straight-line basis or another systematic basis. The lessor shall apply another systematic method if that method more appropriately reflects the pattern of diminishing returns from use of the underlying asset.
The lessor must recognize costs, including depreciation costs, incurred in earning the lease income as an expense.
The lessor is required to add the initial direct costs incurred in negotiating an operating lease to the carrying amount of the underlying asset and recognise those costs as an expense over the lease term using the same principles that apply to lease income.

Operations on sale with leaseback
*Sale with lease*back involves the sale of an asset and the subsequent lease of that asset by the former owner of the asset.
In this situation, the seller of the asset becomes the lessee and the buyer becomes the lessor.
The accounting for the sale with leaseback depends on whether the transfer of the asset is a sale in accordance with IFRS 15 Revenue from Contracts with Customers.
1. If the transfer is the sale:
The seller (lessee) accounts for the asset as part of the previous carrying amount of the asset. A profit or loss is recognized only for the rights transferred to the lessor.
The buyer (lessor) accounts for the purchase of the asset under current standards and the leaseback under IFRS 16.
2. If the transfer of the asset is NOT the sale:
The seller (lessee) recognizes the transferred asset and cash received for it as a financial liability under IFRS 9 Financial Instruments.
The buyer recognizes a financial asset in accordance with IFRS 9 to the extent of cash paid for it.
The Company is not required to reassess operations of sale with leaseback occurring before the date of initial application to determine whether the transfer of the underlying asset meets the requirements of IFRS 15 to be accounted for as a sale, meaning transactions entered into before January 1, 2019, are not reassessed.

3.13. Income taxes

Income taxes include all domestic and foreign taxes that are based on taxable income. Income taxes also include taxes such as withholding taxes paid by a subsidiary, associate or joint arrangement.
Current income tax for the given and previous periods is recognized as a liability equal to the unpaid amount. If the amount already paid with respect to this and previous periods exceeds the amount due for these periods, the excess amount should be recognized as an asset.
The cost measurement of assets and liabilities under these accounting policies generally differs from the cost measurement under tax accounting records maintained under Kazakhstan or other applicable tax regulations, which give rise to deferred tax liabilities and assets.
The Company should assess the recoverability of unrecorded deferred tax assets at each reporting date. If it becomes probable that future profits will be available against which the deferred tax asset can be utilized, the asset should be recognized. Also, the carrying amount of the deferred income tax asset recognized should be reviewed at each reporting date, and if it is not probable that the Company will have taxable profits in future periods, the deferred income tax asset amount is reduced accordingly to the amount of expected recovery.
The existence of unused tax losses is a strong indication that the entity may not have future taxable income and, therefore, with respect to tax loss carryforwards, the Company recognizes the resulting deferred tax asset only to the extent that there are sufficient taxable temporary differences or other conclusive evidence that there will be sufficient future taxable income.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUATION)

If the difference between the tax base and the carrying amount of assets and liabilities is temporary, deferred income tax assets and liabilities are formed as follows:

	Deferred tax liabilities	**Deferred tax assets**
Assets	Carrying amount > Tax base	Carrying amount < Tax base
Liabilities	Carrying amount < Tax base	Carrying amount > Tax base

The sequence in determining the income tax expense for the period within one legal entity is as follows:
1) in accordance with the tax legislation, the taxable income for the reporting period shall be determined;
2) according to the rate approved by the tax legislation, the amount of current income tax liability is determined: taxable income X tax rate = tax liability.
3) the tax base of assets and liabilities as of the end of the reporting period shall be defined;
4) the amounts of temporary differences are determined on the basis of comparison of the book value of all assets and liabilities existing on the reporting date of the statement of financial position and their tax base: amount of temporary differences = book value of assets and liabilities - their tax base;
5) exceptions are determined, i.e. temporary differences at the time of initial recognition of the asset or liability that do not lead to the formation of deferred tax assets and deferred tax liabilities;
6) the recoverability of deductible temporary differences as of the end of the reporting period is verified;
7) the tax rate is determined for calculation of the deferred tax asset or deferred tax liability as of the end of the reporting period
8) to calculate the deferred tax asset and deferred tax liability at the end of the reporting period by multiplying the temporary differences leading to the deferred income tax by the tax rate defined in the previous step;
9) the amount of tax effect of temporary differences for the reporting period on profit and loss or equity for the reporting period is determined: the balance of tax effect at the beginning of the reporting period is subtracted from the received amount of tax effect at the end of the reporting period.

The Company has adopted the balance differences method of accounting for deferred taxes.
Taxable temporary differences are recognized when the carrying amount of an asset exceeds the amount that is deductible for tax purposes and when the carrying amount of a liability is less than its tax base.

3.14. Loans

The Company capitalizes borrowing costs directly attributable to the purchase, construction or production of a qualifying asset as part of the cost of that asset. The Company recognizes other borrowing costs as an expense in the period in which they are incurred.

Capitalisation of borrowing costs
Borrowing costs are those borrowing costs that could have been avoided if expenditures for the qualifying asset had not been made. In the case where the Company borrows funds solely for the purpose of acquiring a specific qualifying asset, the borrowing costs directly attributable to that asset can be clearly established.
To the extent that funds are borrowed specifically for the acquisition of a qualifying asset, the amount of borrowing costs permitted to be capitalized on that asset should be determined as the actual costs incurred on that borrowing during the period, less any investment income from the temporary investment of those borrowed funds.
The amount of borrowing costs allowed for capitalization, to the extent that funds are borrowed for general purposes and used to acquire a qualifying asset, should be determined by applying the capitalization rate to the cost of that asset. The capitalization rate should be the weighted average of the borrowing costs applicable to the Company's borrowings outstanding during the period, other than borrowings made specifically for the acquisition of a qualifying asset.
It is appropriate to use the weighted average of the borrowing costs applicable to the Company's own borrowings for each subsidiary in calculating its weighted average borrowing cost.
If a loan was obtained from external sources by one subsidiary and the acquisition of a qualifying asset is financed by intergroup loan proceeds from another subsidiary, to avoid the exclusion of capitalized borrowing costs when calculating the weighted average of borrowing costs, the weighted average borrowing rate for the lowest group level in which both subsidiaries are consolidated should be used in preparing the consolidated statements. The amount of borrowing costs capitalized during a period should not exceed the amount of borrowing costs incurred during that period.
Capitalization of borrowing costs as part of the cost of a qualifying asset begins when the following conditions are first simultaneously met:
1) expenses were incurred under this asset;
2) borrowing costs are incurred;
3) the work necessary to prepare the asset for its intended use or sale is performed.
The expenses of a qualifying asset include only those that result in cash payments, transfers of other assets or interest-bearing liabilities. Expenses are deducted from any interim payments and subsidies received in connection with the

asset. The activities necessary to prepare an asset for its intended use or sale include not only the physical creation of the asset itself. It includes the technical and administrative work that precedes the physical creation of the asset, such as the activities involved in obtaining the permits necessary to begin construction. However, these activities do not include the possession of the asset if there is no production and development that changes its physical condition.

Excess of the carrying amount of a qualifying asset over the recoverable
When the carrying amount or estimated ultimate cost of a qualifying asset exceeds its recoverable amount or net realizable value, the carrying amount is written down in whole or in part in accordance with the "Impairment of Assets" section. Under certain circumstances, the amount of the partial or full write-down is reversed.
The expected ultimate cost of a qualifying asset must include the costs necessary to ultimately create the asset as well as estimated capitalized interest.

Suspension of capitalization of borrowing costs
Capitalization of borrowing costs is suspended during long periods when the active development of a qualifying asset is interrupted. Borrowing costs may be incurred over an extended period in which work necessary to prepare the asset for its intended use or sale is interrupted. Such costs include maintenance costs of assets under construction: such costs are not capitalized.
At the same time capitalization of borrowing costs should not be suspended if:
1) significant amount of technical or administrative work is performed during the reporting period;
2) temporary suspension of activity is a necessary part of the process of preparing the asset for its intended use or for sale.
Capitalization of borrowing costs is resumed when construction and/or preparation activities for the qualifying asset are resumed. In the period between the suspension of capitalization of borrowing costs and their resumption, borrowing costs are recognized as an expense in profit or loss, unless the period is too short.

Termination of capitalization of borrowing costs
Capitalization should cease when substantially all of the work necessary to prepare a qualifying asset for its intended use or sale has been completed. For example, when the physical construction of the asset is completed, even though the day-to-day administrative work may still be ongoing. If only minor refinements remain (such as the design of the asset to meet the requirements of the buyer or user), this indicates that the work is substantially complete.
Borrowing costs incurred between completion and sale are expensed during the period. The asset is not depreciated at this time (although it should be considered for depreciation). In the case of a qualifying asset, when construction of a qualifying asset is completed in parts, and each part can be used while construction of the other parts continues, capitalization of borrowing costs should cease when substantially all the work necessary to prepare that part of the asset for its intended use or sale has been completed.

3.15. Related parties

In the ordinary course of business, the Company enters into transactions with related parties. This section applies to:
1) identification of relations and transactions with related parties;
2) identifying outstanding balances between the entity and related parties;
3) identifying the circumstances in which disclosure of the items referred to in the first two paragraphs is required; and determining the information to be disclosed in respect of such items.

The related party of the Company is:
1) Individuals who are key management personnel and their close relatives
2) Subsidiaries of the Company
3) The Company's associates and their subsidiaries
4) The Company's joint ventures and their subsidiaries
5) Entities controlled or jointly controlled by the individual defined in clause (1).

Related party transactions are transfers of resources, services or obligations between related parties, regardless of fees.
Related parties are those members of an individual's family who are expected to influence or be influenced by that individual in their dealings with the Company. This may include:
1) the spouse or common-law spouse and children of such person;
2) the children of such person's spouse or common-law spouse;
3) dependents of the individual, the individual's spouse, or the individual's common-law spouse.

The Company records all compensation issued to related parties to reflect all related party transactions. Compensation includes all employee benefits as defined under "Employee Benefits", including share-based payments to employees.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including any (executive or non-executive) director of the Company. In considering any relationship with a related party, attention should be paid to the substance of the relationship and not merely its legal form.
For purposes of this section, the following parties are not related parties of the Company:
1) an entity in which a director or other key management personnel is a director or other key management personnel

of the Company, or over which a director or other key management personnel of the Company has significant influence;
2) parties only because they are parties to a joint operating agreement in which the Company is also a party;
3) funding organizations, labor unions and utilities only on the basis of having ordinary dealings with the Company (even though they may influence discretion or participate in the decision-making process);
4) an individual purchaser, supplier, franchisee, distributor or general agent with whom the Company conducts transactions of significant volume only on the basis of the existence of this economic dependency.

3.16. Events after the reporting date

Data on assets, liabilities, capital, income and expenses of the Company are reflected in the financial statements taking into account the events that occurred after the reporting date. Such events, as a rule, confirm the existence of conditions as of the reporting date, in which the Company conducted its activities, or testify about the economic conditions, in which the Company conducts its activities, that emerged after the reporting date. Subsequent events are all events up to the date the financial statements are authorized for issuance, even if they occur after the Company's earnings or other financial information is available. Significant events after the reporting date are analyzed to determine whether they are adjusting or non-adjusting events after the reporting date.

Adjusting events after the reporting date

The amounts recognized in the financial statements are adjusted to reflect such events after the end of the reporting period.

Non-adjusting events after the reporting date

The Company does not adjust the amounts recognized in its financial statements to reflect the impact of such events after the reporting date. Such events are disclosed in the notes to the financial statements without changing the values of the financial statement line items.

Dividends

Dividends declared to equity holders after the reporting date should not be recognized as a liability at the reporting date. If dividends are declared (i.e. duly approved and are no longer at the discretion of the Company) after the reporting date but before the financial statements are authorized for issue, such dividends shall not be recognized as a liability at the reporting date, as no liability existed at that date. Such dividends are disclosed in the notes to the financial statements under "Presentation of Financial Statements".

3.17. Specific applications

Business Combination

Information about business combinations that are effective after the reporting date and before the financial statements of one of the combining entities are authorized for issue is disclosed if it is material and failure to disclose could affect the economic decisions of users taken on the basis of these financial statements.

Discontinued operations

If part of the assets related to discontinued operations were actually sold or are subject to a binding sale agreement entered into after the reporting date but prior to approval of the financial statements, the relevant information is disclosed in the financial statements if the effects are material and failure to disclose the information could affect the economic decisions of users made on the basis of these financial statements.

Provisions, contingent liabilities and contingent assets

The decision of management or the Board of Directors to restructure, made before the reporting date, does not give rise to a liability at the reporting date unless prior to the reporting date the Company:
1) commenced implementation of the restructuring plan; or
2) communicated the main features of the restructuring plan to interested parties, and thereby formed a reasonable expectation that the Company would actually carry out the restructuring.

If the Company begins to implement a restructuring plan or only communicates the main features of the plan to interested parties after the reporting date, information is disclosed if the restructuring is material and failure to disclose information could affect the economic decisions of users based on these financial statements.

3.18. Fair value measurements

This section applies when any other section requires or permits the use of fair value measurements (FV) or disclosure of FV measurements (and such measurements as FV less costs to sell based on FV or disclosure of such measurements), except as provided below:
1) share-based payment transactions;
2) lease transactions falling within the scope of the "Leases" section;
3) valuations that bear some resemblance to FV but are not FV, such as net selling price under "Inventories" or value in use of an asset under "Impairment of Assets".

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Measurement

Asset or liability
In measuring FV, the Company considers the characteristics of the asset or liability if market participants would consider those characteristics in determining the price of the asset or liability at the measurement date. An asset or liability measured at FV may be the following:
1) a single asset or liability (for example, a financial instrument or a non-financial asset); or
2) a group of assets, a group of liabilities, or a group of assets and liabilities (for example, a cash-generating unit or a business).

Operation
FV measurement involves the exchange of an asset or a liability in a transaction between market participants in a voluntary transaction to sell the asset or transfer the liability on the measurement date under current market conditions. FV measurement involves a transaction to sell the asset or transfer the liability:
1) in the market that is the principal market for the asset or liability; or
2) in the absence of the principal market, in the market that is the most favorable for the given asset or liability.
Market participants
The Company must measure the FV of the asset or liability using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
The Company must identify the common characteristics that distinguish market participants by considering factors specific to all of the following:
1) asset or liability;
2) the principal (or most advantageous) market for the asset or liability; and
3) market participants with whom the Company would enter into a transaction in that market.

Cost
The price in the principal (or most advantageous) market used to measure the FV of the asset or liability should not be adjusted for transaction costs. Transaction costs should be accounted for in accordance with other sections of the Company's accounting policies. Transaction costs are not a characteristic of the asset or liability; rather, they are specific to the transaction and will vary depending on how the Company enters into the transaction for the asset or liability. Transaction costs do not include transportation costs.

Application to non-financial assets
Best and most efficient use with respect to non-financial assets
When measuring the FV of a non-financial asset, the ability of a market participant to generate economic benefits through the best and most efficient use of the asset or through its sale to another market participant that would use the asset in the best and most efficient way is taken into account.
The best and most efficient use of a non-financial asset takes into account the use of the asset that is physically feasible, legally acceptable and financially justifiable, as described below:
1) physically feasible use provides for consideration of the physical characteristics of the asset, which market participants would take into account when setting the price of the asset;
2) legally determinable use takes into account any legal restrictions on the use of the asset that market participants would consider when pricing the asset (e.g., zoning rules applicable to property);
3) financially justifiable use involves consideration of whether a physically feasible and legally permissible use of the asset generates income or cash flows (taking into account the costs of converting the asset to that use) sufficient to produce the return on investment that market participants would demand from an investment in the asset under that use.

Initial condition for the valuation of non-financial assets
The best and most efficient use of a non-financial asset establishes the valuation baseline used to measure the FV of asset, as set forth below:
1) the best and most efficient use of a non-financial asset may provide market participants with the maximum value by using it in combination with other assets as a group of assets (when installed or otherwise configured for use) or in combination with other assets and liabilities.
2) the best and most efficient use of a non-financial asset may provide market participants with maximum value when used separately.

Application in respect of liabilities and the Company's own equity instruments

General principles
In measuring FV, the assumption is made that a financial or non-financial liability or the Company's own equity instrument is transferred to a market participant at the measurement date.
Even if there is no observable market providing pricing information on the transfer of a liability or own equity instrument of the entity, there may be an observable market for those units if they are held as assets by other parties.

Liabilities and equity instruments held by other parties as assets
If a quoted transfer price for an identical or similar liability or the Company's own equity instrument is not available and the identical item is held as an asset by another party, the Company must estimate the FV of the liability or equity instrument from the perspective of the market participant that holds the identical item as an asset at the measurement date.
In such cases, the Company shall measure the FV of the liability or equity instrument as follows:
1) using the quoted price in an active market for an identical unit held as an asset by another party, if such a price is available.
2) in the absence of such a price, using other observable inputs, such as a price quoted in a market that is not active for an identical unit held as an asset by another party.
3) in the absence of observable prices described in subparagraphs (1) and (2), using another valuation method such as:
- income approach;
- market approach.

The Company must adjust the quoted price of a liability or the Company's own equity instrument held by another party as an asset only if there are factors specific to the asset that are not applicable to the measurement of the FV liability or equity instrument. The Company must ensure that the price of the asset does not reflect the effect of a restriction preventing the sale of that asset. Some factors that may indicate that the quoted price of an asset should be adjusted include the following:
1) the quoted price of an asset refers to a similar (but not identical) liability or equity instrument held as an asset by another party;
2) the unit of account adopted for the asset differs from the unit of account adopted for the liability or equity instrument.

Liabilities and equity instruments not held by other parties as assets
If there is no quoted price to transfer an identical or similar liability or the Company's own equity instrument, and an identical unit is not held as an asset by another party, the Company must estimate the FV of the liability or equity instrument using a valuation method from the perspective of the market participant that holds the liability or stated equity interest.

Risk of default
The FV of the liability reflects the impact of the default risk. Non-performance risk includes, among other things, the Company's own credit risk. The assumption is made that the risk of default is the same both before and after the transfer of the liabilty.
In measuring the FV of the liability, the Company must consider the effect of its credit risk (creditworthiness) and any other factors that might affect the likelihood of the obligation being satisfied or not. Such effects may vary from liability, for example:
1) whether the liability is an obligation to provide money (financial liability) or an obligation to supply goods or services (non-financial liability);
2) the terms of the requirement to provide support for the credit quality associated with the liability, if any.

Restriction that does not permit the transfer of liability or the Company's own equity instrument
The Company must not include separate inputs or adjustments to other inputs in its measurement of the FV of liability or its own equity instrument that relate to the existence of a restriction that does not permit a transfer of a unit.

Financial liability with repayment option on demand
The FV of financial liability with repayment on demand is an amount not less than the amount payable on demand, discounted from the first day on which such amount may be required to be paid.

Application to financial assets and financial liabilities with offsetting market or counterparty credit risk positions
The Company, by holding a group of financial assets and financial liabilities, is exposed to the market risk and credit risk of each of its counterparties. If the Company manages such a group of financial assets and financial liabilities based on its net exposure to market risk or credit risk, the Company is entitled to apply the exception provided in this section to FV. The Company is required to FV in a manner similar to how market participants would assess the net exposure on the measurement date.
The Company shall be entitled to use the exception provided for in the paragraph above only if the Company complies with all of the following conditions:
1) manages a group of financial assets and financial liabilities based on the Company's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the entity's formal risk management or investment strategy;
2) provides information on this basis about a group of financial assets and financial liabilities to the Company's management; and
3) is required (or has elected) to report those financial assets and financial liabilities under FV in the statement of financial position at the end of each reporting period.

Exposure to market risks
If the exception provided above is used to measure the FV of a group of financial assets and financial liabilities managed based on the Company's net exposure to a particular market risk (or risks), the Company must apply the

price within the bid-ask spread that is most representative of the FV in the circumstances to the Company's net exposure to those market risks.

Fair value on initial recognition
If an asset is acquired or a liability is assumed in a transaction involving the exchange of such asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability *(entry price).*

Valuation methods
The Company must use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to estimate the FV, while maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
The three most widely used valuation methods are the market approach, the cost approach, and the income approach.
If the transaction price represents the FV at initial recognition and a valuation technique that uses unobservable inputs will be used to value the FV in subsequent periods, that valuation technique must be calibrated so that the result obtained using that valuation technique equals the transaction price at initial recognition. After initial recognition, when measuring FV using a valuation technique or techniques that use unobservable inputs, the Company must ensure that the valuation techniques reflect observable market data (e.g., the price of a similar asset or liability) at the measurement date.
The valuation techniques used to value the FV must be applied consistently. However, there must be a change in the valuation method or its application if such a change results in a valuation that is equal to, or most representative of, the FV in the circumstances. So if, for example, any of the following events occur:
1) new markets develop;
2) new information becomes available;
3) previously used information is no longer available;
4) valuation methods improve; or
5) market conditions change.

Changes resulting from a change in valuation method or its application must be recorded as a change in accounting estimate in accordance with the section "Changes in Accounting Policies, Estimates and Errors". However, disclosure of changes in accounting estimates is not required for changes resulting from a change in accounting estimate method or its application.

Input data for valuation methods

General principles
Valuation techniques used to measure FV should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Examples of markets in which inputs may be observable for certain assets and liabilities (e.g., financial instruments) include foreign exchange markets, dealer markets, intermediary markets and principal-to-principal markets.
The Company must select inputs that are consistent with the characteristics of the asset or liability that market participants would consider when transacting the asset or liability. In some cases, such characteristics would result in the application of an adjustment, such as a premium or discount. However, the measurement of FV should not include a premium or discount that is inconsistent with the unit of account adopted in this section that requires or permits the measurement of FV. Premiums or discounts that reflect size as a characteristic of the Company's stock rather than as a characteristic of an asset or liability should not be considered in valuing FV. In all cases, without exception, if a quoted price (i.e., Level 1 inputs) for an asset or liability exists in an active market, the Company must use that price without adjustment when measuring the FV, except as provided below.

Input data based on purchase and sale prices
If the asset or liability measured at FV has a bid price and a ask price (e.g., dealer market inputs), the price within the bid-ask spread that most accurately represents the FV in the circumstances should be used to measure the FV regardless of which category such inputs fall within the FV hierarchy (that is, Level 1, 2 or 3). The use of buy prices for asset positions and sell prices for liability positions is a right, but not an obligation.

Fair value hierarchy
This section establishes the FV hierarchy, which divides the inputs to the valuation method used to measure the FV into three levels. The FV hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).
In some cases, the inputs used to measure the FV of an asset or liability may be divided into categories within different levels of the FV hierarchy. In such cases, the FV measurement is entirely within the same level of the FV hierarchy to which the lowest level inputs, which are material to the evaluation as a whole, belong. Determining the significance of particular inputs to the measurement as a whole requires the exercise of judgment that considers factors specific to the asset or liability.
If observable inputs require adjustment using unobservable inputs and the adjustment results in a significantly higher or lower FV measurement, the resulting measurement would be Level 3 in the fair value hierarchy.

Level 1 inputs

Level 1 inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date. The quoted price in an active market provides the most reliable evidence of FV and should be used to measure FV without adjustment whenever it is available, except as provided below.

The Company shall adjust Level 1 inputs only in the following circumstances:

1) when the Company holds a large number of similar (but non-identical) assets or liabilities that are measured at FV and a quoted price exists in an active market, but is not available at any time, for each of those assets or liabilities individually. In such a case, the Company may value the FV using an alternative valuation method that is not based solely on quoted prices. However, the use of an alternative valuation method results in FV measurement that is at a lower level in the FV hierarchy.

2) when the quoted price in an active market does not represent the FV on the measurement date. The Company shall establish and consistently apply a policy to identify such events that may affect FV measurements;

3) when the Company measures the FV of a liability or the Company's own equity instrument using a quoted price for an identical unit that is traded as an asset in an active market, and such price must be adjusted for factors specific to the unit or asset. If an adjustment to the quoted price of the asset is not required, the result will be FV measurement attributable to Level 1 in the FV hierarchy. Any adjustment to the quoted price of an asset will result in FV measurement attributable to a lower level in the FV hierarchy.

If the Company holds a position in a single asset or liability (including a position consisting of a large number of identical assets or liabilities, such as a package of financial instruments) and the asset or liability is sold in an active market, the FV of that asset or liability must be measured within Level 1 at the amount derived by multiplying the quoted price of the single asset or liability by the quantity held by the Company.

Level 2 inputs

Level 2 inputs – those inputs that are not quoted prices included within Level 1 and that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specific (contractual) period, the Level 2 inputs must be observable for substantially all of the asset or liability.

The adjustments to the Level 2 inputs vary depending on factors specific to the asset or liability. Such factors include the following:

1) the condition or location of the asset;
2) the extent to which the inputs relate to units that are comparable to the asset or liability; and
3) the volume or level of activity in the markets in which the inputs are observed.

Adjustments to Level 2 inputs that are significant to the measurement as a whole can result in a fair value measurement that falls within Level 3 of the FV hierarchy if significant unobservable inputs are used to make the adjustment.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are to be used to measure FV where relevant observable inputs are not available, so situations in which there is little, if any, market activity for the asset or liability at the measurement date are considered. Risk assumptions include the risk inherent in the particular valuation technique used to measure FV (such as the pricing model) and the risk inherent in the valuation technique inputs.

The Company must develop unobservable inputs using all information available under the circumstances, which may include the Company's own data. In developing unobservable inputs, the Company may rely on its own inputs, but the Company must adjust those inputs if reasonably available information indicates that other market participants would have used different inputs or there is some information specific to the Company that is not available to other market participants.

3.19. New or revised IFRIC standards and interpretations mandatory for the annual reporting period beginning January 1, 2020:

Amendments to IFRS 16 Covid-19-Related Rent Concessions on May 28, 2020, the IASB issued the Amendment to IFRS 16 *Leases – Covid-19-Related Rent Concessions*. The amendment provides an exemption for lessees from the requirements in IFRS 16 to account for lease modifications resulting from assignments of leases that arise as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may choose not to analyse whether a lease assignment granted by a lessor in connection with a COVID-19 pandemic is a lease modification. A lessee that makes this election must account for any lease modification resulting from the assignment of a COVID-19 pandemic lease in a manner similar to how the modification would be accounted for under IFRS 16 if it were not a lease modification.

The amendment is effective for annual periods beginning on or after June 1, 2020. Early application is permitted. This amendment did not have any impact on the Company's financial statements.

Standards that have been issued but have not yet entered into force

IFRS 17 Insurance Contract

In May 2017, the IASB issued IFRS 17 *Insurance Contracts*, a new comprehensive financial reporting standard for insurance contracts that addresses recognition and measurement, presentation and disclosure. When IFRS 17 enters into force, it will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 is effective for accounting periods beginning on or after January 1, 2023, with comparative information required. This standard is not applicable to the Company's operations.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 that clarify the requirements for classifying obligations as current or non-current. The amendments clarify the following:

• what is meant by the right to defer settlement of liabilities;
• the right to defer settlement of liabilities must exist at the end of the reporting period;
• the classification of liabilities is not affected by the likelihood that the entity will exercise its right to defer settlement of the liability;
• the terms of the liability will not affect its classification only if the derivative embedded in the convertible liability is itself an equity instrument.

These amendments are effective for annual periods beginning on or after January 1, 2023 and are applied retrospectively. The Company is currently analyzing the possible impact of these amendments on the current classification of liabilities and the need to revise the terms of existing loan agreements.

Amendments to IFRS 3 References to Conceptual Framework
In May 2020, the IASB issued amendments to IFRS 3 *Business Combinations – References to Conceptual Framework.* The objective of these amendments is to replace references to the 1989 Conceptual Framework for Financial Reporting with references to the March 2018 Conceptual Framework for Financial Reporting, without making significant changes to the requirements of the standard.

The Board also added an exception to the recognition principle in IFRS 3 to avoid potential "Day 2" gains or losses, for liabilities or contingent liabilities that would be within the scope of IFRS 37 or IFRIC 21 *Levies*, if they arose in individual transactions.

At the same time, the Board decided to clarify the existing requirements in IFRS 3 for contingent assets that would not be affected by the replacement of references to the Concept of Preparation and Presentation of Financial Statements. The amendments are effective for annual periods beginning on or after January 1, 2022 and are applied prospectively.

Amendments to IFRS 16 Property, Plant and Equipment: Proceeds before Intended Use
In May 2020, the IASB issued *Property, Plant and Equipment: Proceeds before Intended Use*, which prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of items produced in bringing the item to its location and condition that are required for its operation in accordance with management's intentions. Instead, an entity recognizes the proceeds from the sale of those items and the cost of producing those items in profit or loss.

These amendments are effective for annual periods beginning on or after January 1, 2022, and should be applied retrospectively to those items of property, plant and equipment that became available on (or after) the earliest period presented in the financial statements in which the entity first applies these amendments. The amendments are not expected to have any material impact on the Company.

Amendments to IFRS 37 Onerous Contracts – Cost of Fulfilling a Contract
In May 2020, the IASB issued amendments to IFRS 37 that clarify what costs an entity should consider when assessing whether a contract is onerous or loss-making.
The amendments require the application of the "costs directly attributable to the contract" approach. Costs directly attributable to a contract to provide goods and services include both incremental costs of fulfilling that contract and allocated costs directly related to the performance of the contract. General and administrative costs that are not directly attributable to the contract, and therefore are excluded unless they are clearly reimbursable by the counterparty to the contract.

These amendments are effective for annual periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet satisfied all of its obligations at the beginning of the annual reporting period in which it first applies these amendments.

Amendment to IFRS 1 First-time Adoption of IFRS - Subsidiary as a First-time Adopter
As part of its annual improvement process, the IASB issued an amendment to IFRS 1 *First-time Adoption of IFRS - Subsidiary as a First-time Adopter*, 2018-2020. Under this amendment, a subsidiary that elects to apply IFRS 1 paragraph D16(a) is permitted to measure cumulative translation differences using the amounts recorded in its parent's financial statements based on the parent's date of transition to IFRS. This amendment also applies to associates and joint ventures that elect to apply paragraph D16(a) of IFRS 1.
This amendment is effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

Amendment to IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
As part of its annual improvement process for IFRS, period 2018-2020, the IASB issued an amendment to IFRS 9 *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*. The amendment clarifies

the amounts of fees an entity considers in assessing whether the terms of a new or modified financial liability are substantially different from those of the original financial liability. Such amounts include only those fees paid or received between a designated lender and a borrower, including fees paid or received by the lender or the borrower on behalf of the other party. An entity must apply the amendment for financial liabilities that have been modified or replaced at or after the beginning of the annual reporting period in which it first applies the amendment.
The amendment is not expected to have a material impact on the Company.

4. DEFERRED TAX ASSETS

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Deferred tax assets	22 783	215 062
Total	**22 783**	**215 062**

5. PROPERTY, PLANT AND EQUIPMENT

In thousands of Kazakhstani tenge

Initial cost	Buildings and constructions	Machinery and equipment	Other	Total
On January 1, 2019	**-**	**3 091**	**55**	**3 146**
Receipts	8 523	621	2 184	11 328
Disposals	-	-	(409)	(409)
On December 31, 2019	**8 523**	**3 712**	**1 830**	**14 065**
Receipts	-	9 097	1 716	10 813
Disposals	-	-	(388)	(388)
On December 31, 2020	**8 523**	**12 809**	**3 158**	**24 490**
Accumulated depreciation				
On January 1, 2019	**-**	**6**	**6**	**12**
Accumulated depreciation for the year	721	550	128	1 399
Accumulated depreciation on disposals	-	-	(45)	(45)
On December 31, 2019	**721**	**556**	**89**	**1 366**
Accumulated depreciation for the year	1 797	1 150	767	3 714
Accumulated depreciation on disposals	-	-	(72)	(72)
On December 31, 2020	**2 518**	**1 706**	**784**	**5 008**
Carrying amount on December 31, 2019	**7 802**	**3 156**	**1 741**	**12 699**
Carrying amount on December 31, 2020	**6 005**	**11 103**	**2 374**	**19 482**

The property, plant and equipment of the Company are not pledged on the reporting dates.

6. INVENTORIES

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Work in progress	7 054 214	5 304 954
Significant component of financing	836 603	-
Materials of subcontractors	658 243	745 752
Raw materials and supplies	410 225	71 380
Finished products	329 102	-
Materials put into production	92 187	95 821
Total	**9 380 574**	**6 217 907**

7. ADVANCES PAID

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Advances paid	5 038 604	1 749 811
Total	**5 038 604**	**1 749 811**

8. TRADE AND OTHER RECEIVABLES

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Short-term trade receivables from buyers and customers	489 352	267
Short-term receivables on loans granted to employees	3 000	1 000
Debts on return of inventories to suppliers	167	281
Other short-term receivables	1 035 943	65 935
Valuation provision for impairment losses on short-term receivables	(71 279)	(160)
Total	**1 457 183**	**67 323**

9. PREPAYMENT OF TAXES AND OTHER OBLIGATORY PAYMENTS

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
VAT receivable	26 762	86
Prepayment for other taxes and payments	1	56
Total	**26 763**	**142**

10. CASH AND CASH EQUIVALENTS

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Cash in banks in tenge	1 423	240 514
Provision for impairment of cash	(1)	(158)
Total	**1 422**	**240 356**

Cash is placed in current non-interest bearing accounts and is not restricted in use.

11. AUTHORIZED CAPITAL

The authorized capital of the Company amounted to 100 thousand tenge on December 31, 2020 (on December 31, 2019 - 100 thousand tenge).

12. PROVISIONS

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Long-term provision for guarantee liabilities on completed projects	47 623	-
Short-term estimated liabilities on employee benefits	1 706	-
Total	**49 329**	**-**

13. LIABILITIES UNDER THE CONTRACT

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Liabilities under the contract	12 694 784	6 305 197
Total	**12 694 784**	**6 305 197**

The liabilities under the contract relate to the prepaid consideration received from buyers for the properties, the proceeds of which are recognized when the properties are put into operation.

14. TRADE AND OTHER PAYABLES

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Short-term payables to suppliers and contractors	669 449	218 930
Short-term debt to pay wages	1 655	1 088
Debts on execution writs	428	130
Other short-term accounts payable	361 571	60 506
Total	**1 033 103**	**280 654**

15. LOANS RECEIVED

In thousands of Kazakhstani tenge	December 31, 2020	December 31, 2019
Loans received	537 751	1 495 648
Total	**537 751**	**1 495 648**

Interest-free financial aid from related parties mainly relates to financing of the construction of the Companies' facilities. In accordance with the terms of the loan agreements, the borrower must repay the borrowed funds within 3 days from the date of the lender's written request.

16. ADVANCES RECEIVED

In thousands of Kazakhstani tenge	**December 31, 2020**	**December 31, 2019**
Advances received	408 705	257 236
Total	**408 705**	**257 236**

17. LIABILITIES FOR TAXES AND OBLIGATORY PAYMENTS

In thousands of Kazakhstani tenge	**December 31, 2020**	**December 31, 2019**
Value added tax	66 452	-
Short-term liabilities for corporate income tax	63 550	94
Individual income tax	1 888	
Social tax	1 748	115
Liabilities for pension contributions	1 295	302
Liabilities for social insurance	162	41
Liabilities for other obligatory payments	126	80
Other	144	163
Total	**135 365**	**795**

18. REVENUE

In thousands of Kazakhstani tenge	**2020**	**2019**
Income from sale of residential premises	5 424 336	-
Income from sale of non-residential premises	568 192	-
Income from sale of parking lots	74 140	-
Total	**6 066 668**	**-**

19. COST OF GOODS SOLD

In thousands of Kazakhstani tenge	**2020**	**2019**
Cost of goods sold	4 643 151	-
Formation of guarantee provision fund for construction and installation works	62 109	-
Total	**4 705 260**	**-**

20. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of Kazakhstani tenge	**2020**	**2019**
Wages and related taxes	25 156	16 257
Sponsorship	25 000	-
Bank services	10 914	10 621
Travel expenses	138	614
Other	14 010	3 777
Total	**75 218**	**31 230**

21. SELLING EXPENSES

In thousands of Kazakhstani tenge	**2020**	**2019**
Marketing and advertising	3 420	2 424
Agent and realtor services	1 321	355
Other	270	50
Total	**5 011**	**2 829**

22. LOSS FROM IMPAIRMENT OF FINANCIAL ASSETS, NET

In thousands of Kazakhstani tenge	**2020**	**2019**
Loss from impairment of financial assets, net	70 961	270
Total	**70 961**	**270**

23. OTHER OPERATIONAL INCOME

In thousands of Kazakhstani tenge	**2020**	**2019**
Other income	4 410	847
Total	**4 410**	**847**

24. OTHER OPERATIONAL EXPENSES

In thousands of Kazakhstani tenge	2020	2019
Expenses on disposal of assets	315	363
Other expenses	35 280	10 339
Total	**35 590**	**10 702**

25. INCOME TAX EXPENSES

In thousands of Kazakhstani tenge	2020	2019
Deferred tax expenses	192 277	-
Current corporate income tax expenses	63 550	94
Total	**255 827**	**94**

26. FINANCIAL RISK MANAGEMENT GOALS AND POLICIES

The Company's main financial liabilities include trade, other payables and lease liabilities. The main goal of these financial liabilities is to finance the Company's operations. The Company has trade, other receivables and financial lease receivables and cash and cash equivalents that arise directly from its operations.
The Company is exposed to credit risk and liquidity risk.

Credit risk

Credit risk is the risk that the Company will incur a financial loss because counterparties fail to discharge their obligations under a financial instrument or customer contract. The Company is exposed to credit risk arising from its operating activities, primarily with respect to lease receivables and financing activities, including loans to subsidiaries. The Company's exposure and the creditworthiness of its counterparties are monitored on an ongoing basis. The maximum exposure to credit risk is limited to the carrying amount of each financial asset.
The carrying amount of financial assets recognized in the Company's separate financial statements, net of allowances for impairment, represents the Company's maximum exposure to credit risk.
Credit risk from customers is managed in accordance with the Company's policies, procedures and controls related to credit risk management. The outstanding balance of financial lease receivables from customers is regularly monitored by the Company's management.
Impairment analysis is performed by the Company's management at each reporting date on an individual basis based on the number of days overdue. The calculations are based on actual historical loss experience.
The Company applies the simplified approach prescribed by IFRS 9 for the measurement of expected credit losses on financial lease receivables, which uses a lifetime allowance for expected credit losses on all receivables. The financial lease receivables were grouped based on overall credit risk characteristics and number of days past due to estimate expected credit losses.
The Company is exposed to credit risk as a result of its operating activities and certain investing and leasing activities. In the course of its investing activities, the Company places deposits with Kazakhstani banks, the risk of default of which at the time of account opening is minimal.

The following table shows the balances of cash, bank deposits placed with banks at the reporting date using Standart & Poor's, S&P Global Ratings and Fitch Ratings credit ratings minus the reserves created:

	Location	2020	2019	December 31, 2020	December 31, 2019
SB ATF Bank JSC	Kazakhstan	B-/Stable	B-/Stable	1 423	240 355

27. CONTINGENT LIABILITIES

Business terms and conditions

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstani economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government. A decline in oil prices is having a negative impact on Kazakhstan's economy. Tenge interest rates remain high. The combination of the above resulted in reduced access to capital, a higher cost of capital and uncertainty regarding further economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Taxation

Kazakhstani tax legislation and practice is in a state of continuous development and is subject to varying interpretations and frequent changes, which may be retrospective. Further, the interpretation of certain transactions by tax authorities for tax purposes may not coincide with that of management. As a result, transactions may be challenged by tax authorities and the Company may be assessed additional taxes, penalties and interest. Tax periods remain open to retroactive review by the tax authorities for five years.

28. EVENTS AFTER THE REPORTING DATE

Due to the rapid development of the coronavirus pandemic (COVID-19) in 2020, many countries, including the Republic of Kazakhstan, have imposed quarantine measures, which have had a significant impact on the level and scope of business activity of market participants. It is expected that both the pandemic itself and measures to minimize its effects may affect the activities of companies in various industries.

The Republic of Kazakhstan ended the state of emergency imposed in connection with the COVID-19 coronavirus pandemic, with quarantine measures being phased out on May 11, 2020.

The Company considers this pandemic as a non-adjusting event after the reporting date, the quantitative effect of which cannot be assessed with sufficient certainty at this time. The Company's management is analyzing the potential impact of changing microeconomic and macroeconomic conditions on the Company's financial position and results of operations.

Russell Bedford A+ Partners

Midvest LLP
STATEMENT OF FINANCIAL POSITION
For the 6-month period ended 30 June 2021

In thousands of tenge	**Note**	**30 June 2021**	**31 December 2020**
Assets			
Non-current assets			
Deferred tax assets	4	27 491	22 783
Property, plant and equipment	5	21 287	19 482
Trade and other receivables		3 044	-
Total		**51 822**	**42 265**
Assets			
Current assets			
Inventories	6	9 784 437	9 380 574
Advances paid	7	5 946 720	5 038 604
Trade and other receivables	8	4 507 207	1 457 183
Prepayment for taxes and other obligatory payments	9	7 574	26 763
Cash and cash equivalents	10	8 876	1 422
Total current assets		**20 254 814**	**15 904 546**
Total assets		**20 306 636**	**15 946 811**
Equity and liabilities			
Equity			
Retained earnings		1 720 269	1 087 676
Authorized capital	11	100	100
Total equity		**1 720 369**	**1 087 776**
Non-current liabilities			
Provisions	12	109 182	47 623
Total non-current liabilities		**109 182**	**47 623**
Current liabilities			
Liabilities under the contract	13	13 965 879	12 694 784
Trade and other payables	14	4 267 339	1 033 103
Provisions	12	5 302	1 706
Loans received	15	62	537 751
Advances received	16	192 471	408 705
Liabilities for taxes and obligatory payments	17	46 032	135 363
Total current liabilities		**18 477 085**	**14 811 412**
Total liabilities		**18 586 267**	**14 859 035**
Total equity and liabilities		**20 306 636**	**15 946 811**

Director___________ Askar S. Shaizin______
(Position) *(Full Name)*

Midvest LLP
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 6-month period ended 30 June 2021

In thousands of tenge	**Note**	**For the 6 months ended 30 June 2021**	**For the 6 months ended 30 June 2020**
Revenue	18	5 411 945	-
Cost of goods sold	19	- 4 392 382	-
Gross profit		**1 019 563**	**-**
General and administrative expenses	20	- 87 990	- 13 940
Selling expenses	21	- 1 303	- 2 206
Income/(Loss) from impairment of financial assets, net	22	42 080	-
Other operational income		7 247	3 457
Other operational expenses		- 4 448	- 2 876
Result from operating activities		**975 149**	**- 15 565**
Positive exchange rate difference, net		- 49	1 744
Profit before tax		975 100	- 13 821
Income tax expenses		- 178 822	-
Profit for the year		**796 278**	**- 13 821**
Total comprehensive income for the year		**796 278**	**- 13 821**

Director
(Position)

Askar S. Shaizin
(Full Name)

Midvest LLP
STATEMENT OF CHANGES IN EQUITY
For the 6-month period ended 30 June 2021

In thousands of tenge	**Authorized capital**	**Retained earnings**	**Total**
On January 1, 2020	**100**	**163 670**	**163 770**
Loss for the reporting period	-	- 13 821	- 13 821
Total comprehensive loss	**-**	**149 849**	**149 949**
On June 30, 2020	**100**	**149 849**	**149 949**
On January 1, 2021	**100**	**1 087 676**	**1 087 776**
Profit for the reporting period	-	796 278	796 278
Total comprehensive income	**-**	**796 278**	**796 278**
On June 30, 2021	**100**	**1 883 954**	**1 884 054**

Director
(Position)

Askar S. Shaizin
(Full Name)

Midvest LLP
STATEMENT OF CASH FLOWS
For the 6-month period ended 30 June 2021

in thousands of Tenge	**For the 6 months ended 30 June 2021**	**For the 6 months ended 30 June 2020**
Cash flows from operating activities		
Cash inflow, total	**10 903 700**	**6 406 838**
including:		
sale of goods and services	-	225
advances received from buyers, customers	1 431 496	3 566 196
remunerations received	-	
other receipts	9 472 204	2 840 416
Cash outflow, total	**- 10 358 618**	**- 5 940 943**
including:		
advances paid to suppliers of goods and services	- 4 248 202	- 3 776 106
payments to suppliers for goods and services	- 4 431 598	- 1 973 742
wage payments	- 34 847	- 12 730
income tax and other payments to the budget	- 299 907	- 2 716
other payments	- 1 344 064	- 175 649
Net cash flows from operating activities	**545 082**	**465 895**
Cash flows from investing activities		
Cash inflow, total	**-**	**-**
including:		
sale of property, plant and equipment	-	-
Cash outflow, total	-	-
including:		
purchase of property, plant and equipment	-	-
Net cash flows from investing activities	**-**	**-**
Cash flows from financing activities		
Cash inflow, total	**-**	**58 651**
including:		
other receipts	-	58 651
Cash outflow, total	**- 537 692**	**- 508 289**
including:		
other disposals	- 537 692	- 508 289
Net cash flows from financing activities	**- 537 692**	**- 449 639**
Effect of exchange rates of currencies to tenge	63	99
Increase +/- decrease in cash	**7 453**	**16 355**
Cash and cash equivalents at the beginning of the reporting period	**1 423**	**240 356**
Cash and cash equivalents at the end of the reporting period	**8 876**	**256 711**

Director___________
(Position)

Askar S. Shaizin______
(Full Name)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General information

Midvest Limited Liability Partnership (hereinafter - the Company) was established on July 27, 2016, BIN 160740022225. The sole member of the Company is Nova City Development Limited Liability Partnership.

The amount of the authorized capital of Midvest LLP is 100 thousand tenge.

Legal and actual address: 17M, E10 street, Esil district, Nur-Sultan city, 010000, Republic of Kazakhstan.

The principal activities of the Company are: investments in construction, construction of business centers, shopping and entertainment complexes, housing, cultural and social facilities, construction and installation works, construction and repair and construction works.

The Company has no subsidiaries on December 31, 2020 and June 30, 2020.

2. Basis for preparing financial statements

2.1. Statement of compliance

The separate financial statements of the Company for the six months ended June 30, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the IASB.

2.2. Significant accounting judgments and estimates

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and assets. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Fair value of financial instruments

In cases where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation models including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the separate financial statements.

2.3. Functional and presentation currency of the separate financial statements

The national currency of the Republic of Kazakhstan is Kazakhstani tenge, which is the Company's functional currency and the currency used in the preparation of separate financial statements in accordance with International Financial Reporting Standards.
All financial information presented in Kazakhstani tenge has been rounded to the nearest thousand tenge, unless otherwise stated.

2.4. Going concern principle

These separate financial statements have been prepared under the assumption that the Company is and will be in operation for the foreseeable future. Therefore, it is assumed that:
- the Company does not intend or need to liquidate or significantly curtail its operations; and
- the sale of assets and settlement of liabilities will occur in the ordinary course of business in the foreseeable future.

The separate financial statements do not contain the adjustments necessary if the Company could not continue as going concern.

2.5. Accrual basis

These separate financial statements are prepared in accordance with the accrual principle. The principle of accrual is provided by the recognition of the results of business operations, as well as events that are not the result of economic activities of the organization, but have an impact on their financial position, upon their occurrence, regardless of the time of payment. Transactions and events are reflected in the accounting and included in the financial statements of the periods to which they relate.

2.6. Recognition of elements of financial statements

The separate financial statements include all transactions and events that meet the definition of financial reporting elements and the condition of their recognition:
- the Company is reasonably certain that any economic benefit attributable to the item will be realized (or lost);
- the item has a value or valuation that can be measured reliably.

All elements of the financial statements are presented in the separate statement of financial position and the separate statement of profit or loss and other comprehensive income as line items. Several elements of financial statements are combined into one item, taking into account their features (functions) in the Company's activities.

2.7. Sequence of presentation

The presentation and classification of items in the separate financial statements are maintained from one period to the next. Significant revisions to the presentation of the separate financial statements may require changes to the presentation of the financial statements. The Company changes the presentation of the separate financial statements only if the changed presentation provides information that is reliable and more meaningful to users of the financial statements, and the revised structure is likely to be maintained and comparability of information is not impaired.

2.8. Offsetting

The Company offsets assets and liabilities only when required or permitted by other sections of these accounting policies. Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expense items should be offset in the following cases:

1) any particular International Financial Reporting Standard requires or permits it; or
2) profits, losses and related expenses resulting from the same or similar transactions and events are not material.

If these criteria are not met, offsetting is not performed even when income and expenses relate to the same operating activity, or the same operating segment.

It is important that both assets and liabilities, as well as revenues and expenses, be reported separately when they are material. Offsetting, unless it reflects the substance of a transaction or event, reduces the ability of users to understand transactions that have occurred and to estimate future cash flows of the Company. Reporting assets less valuation provisions does not constitute offsetting.

3. Key provisions of the accounting policy

The accounting policies are specific principles, bases, regulations, rules and practices adopted by the Company for accounting and preparation of consolidated and separate financial statements, including preparation of comparative information for the previous reporting periods, in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The following are the principal accounting policies applied by the Company in the preparation of its separate financial statements for the six months 2021. These provisions have been consistently applied to all periods presented in the statements, except for the effect of changes in IFRS effective from January 1, 2019.

3.1. Property, plant and equipment

At initial recognition, property, plant and equipment are measured at historical cost (cost of goods sold). After initial recognition as an asset, an item of property, plant and equipment shall be carried at its historical cost less accumulated depreciation and accumulated impairment losses.

The Company does not account for the purchase of an interest in any other organization with only PPE on its balance (e.g., land), but rather as the purchase of PPE and, accordingly, records the purchase price at the cost of PPE.

Useful life of property, plant and equipment

The Company uses the straight-line method of depreciation.

Property, plant and equipment primarily include the following classes of property, plant and equipment, which are depreciated over the following useful lives:

Buildings other than residential	8-40 years
Residential buildings	8-40 years
Constructions	2-10 years
Machinery and equipment	2-30 years
Vehicles	5-10 years

Furniture and furniture components/accessories	2-10 years
Computers and accessories	2-5 years
Tools, industrial equipment and supplies	2-5 years
Other PPE (all other, not shown in previous categories)	2-20 years

The useful life of an asset is determined taking into account the expected utility of the asset for the Company and can be determined by the Company independently or by engaging an appraiser.
If expectations differ from previous expectations, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. This accounting estimate may have a material impact on the residual value of property, plant and equipment and on depreciation recognized in the separate statement of profit or loss and other comprehensive income.
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the reporting period when the asset is derecognized.

3.2. Investment property

Investment property is initially measured at actual expenses. The actual expenses for purchase of investment property include the purchase price and any direct costs.
Investment property is measured at initial cost. The initial cost model requires investment properties to be accounted for in accordance with IAS 16 under a similar model, i.e., at cost less accumulated depreciation and impairment losses recognized under IAS 36 Impairment of Assets.

3.3. Intangible assets

Intangible assets are measured initially at initial cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized product development costs, are not capitalized and the related expense is recognized in profit or loss in the reporting period in which it occurs.
The Company's intangible assets consist primarily of computer software and licenses. Intangible assets are amortized on a straight-line basis over the estimated useful lives of 3 to 20 years.

The Company uses the following useful lives for other intangible assets from 1 to 20 years for the purposes of the financial statements.

Licenses and software	1-10 years
Trademark	5-20 years
Other intangible assets	1-10 years

The useful life period is determined for a specific IA or group of IA included in the category of other IA, but cannot be longer or shorter than this period.
The Company proceeds from the assumption that economic benefits from the use of intangible assets are consumed uniformly during the useful life of objects and uses the straight-line method for amortization of intangible assets.
The straight-line method of amortization is applied consistently from period to period unless there is a change in the pattern of consumption of the economic benefits expected to be derived from the use of the intangible asset.
The intangible asset is removed from the Company's balance on disposal or when a decision is made to cease use of the asset and no further economic benefits are expected from its use or disposal. The financial result from the retirement or disposal of intangible assets is determined as the difference between the net disposal proceeds and the carrying amount of intangible assets and is recorded in the appropriate profit or loss lines. The carrying amount is defined as the difference between the initial value of an intangible asset and its accumulated amortization (taking into account the impairment provision).

3.4. Financial instruments

The Company recognizes a financial asset or financial liability in its statement of financial position only when it becomes a party to the contractual provisions of the instrument. Regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.
All financial assets and liabilities, other than trade receivables, are initially recognized at fair value plus, in the case of financial assets and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability.
The best evidence of the fair value of a financial instrument at initial recognition is the transaction price. If the fair value of the transaction differs from the transaction price, the Company should account for the instrument as a significant financing component as follows:
1) at fair value evidenced by a quoted price for an identical asset or liability in an open market (Level 1 inputs) or based on a valuation model using observable market data. The Company must recognize the difference between the fair

value at initial recognition and the transaction price in profit or loss;

2) in all other cases, in the amount of the fair value measurement adjusted to defer the difference between the fair value at initial recognition and the transaction price. The Company should recognize this deferred difference as a prfit or loss only to the extent that it arises from a change in a factor (including timing) that market participants would consider in setting the price of the asset or liability.

Trade receivables that do not contain a significant financing component are recognized at the transaction cost as defined in IFRS 15 Revenue from Contracts with Customers.

Financial assets carried at amortized cost

A financial asset is carried at amortized cost if two criteria are met:

1) The purpose of the business model is to hold a financial asset to generate all contractual cash flows; and

2) Contractual cash flows are represented only by interest and principal payments.

If at least one of the above criteria is not met, the financial asset is measured at fair value. If both criteria are met, the Company has the option to designate the financial asset as at fair value through profit or loss if such designation reduces or eliminates an accounting mismatch.

Financial assets at fair value through other comprehensive income

Financial assets of the Company that are not carried at amortized cost are carried at fair value. The financial asset is carried at fair value through other comprehensive income if two criteria are met:

1) The purpose of the business model is to hold the financial asset both to receive all contractual cash flows and by selling the financial asset; and

2) The contractual cash flows are represented by interest and principal payments only.

IFRS 9 requires that all equity instruments be measured at fair value. However, the Company has the right to irrevocably recognize in other comprehensive income unrealized and realized gains and losses from changes in the fair value of equity instruments that are not held for sale. If that right is exercised, dividends should still be recognized in profit or loss (unless they clearly represent a partial return on the investment). This option is available on initial recognition of the instrument (on an instrument-by-instrument basis) without a subsequent reclassification to profit or loss.

Impairment of financial assets

The application of IFRS 9 has radically changed the Company's accounting for impairment losses on financial assets. The IAS 39 method based on incurred losses has been replaced by the expected credit loss (ECL) model.

IFRS 9 requires the Company to recognize a valuation provision for expected credit losses for all debt financial assets not measured at fair value through profit or loss.

Expected credit losses are calculated as the difference between the cash flows due to the entity under the contract and all cash flows the Company expects to receive. The shortfall is then discounted at a rate approximately equal to the original effective interest rate of the asset.

The Company applied the simplified approach prescribed by the standard for trade and other receivables and financial lease receivables and calculated the expected credit losses over the entire term. The Company used the valuation provision matrix based on its past experience with credit losses, adjusted for facts specific to borrowers and general economic conditions.

Financial liabilities

The Company classifies its financial liabilities within the scope of IFRS 9 as follows:

- financial liabilities at fair value through profit or loss;
- guarantee liabilities and accounts payable.

The Company's financial liabilities are represented by trade payables and guarantee liabilities. After initial recognition, accounts payable are carried at amortized cost using the effective interest method.

Income and expenses are recognized in profit or loss when liabilities are derecognized or impaired, as well as through the amortization process.

Derecognition of financial assets and liabilities

A *financial asset* is derecognized if:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to transfer them in full without material delay to a third party;
- the Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A *financial liability* is derecognized when the liability is repaid, cancelled, or expired.

Such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, when an existing financial liability is replaced by another from the same lender on different terms, or the terms of an existing liability are substantially modified. The difference in the carrying amount is recognized in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the separate statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.
Subsequent valuation of financial assets
Financial assets are subsequently measured at amortized cost or at fair value through other comprehensive income or through profit or loss based on the Company's business model for managing financial assets. The business model is determined by the Company's management.
The Company exercises judgment in determining the level at which the business model is applied. The determination is based on how management manages the business and is not made on an individual financial asset basis. Therefore, the Company's business model is not a choice and is not dependent upon management's intent with respect to an individual asset; the business model is a consequence of the fact of how the Company is managed and how information is presented to management.
Another condition necessary to recognize a financial asset at amortized cost is that the contractual terms of the financial asset give rise on specified dates to cash flows that are "solely payments of principal and interest on the principal outstanding".
Contractual terms that permit the holder to extend the contractual term of a debt instrument are also "payments of principal and interest only", provided that, during the extension period, the contractual cash flows are payments of principal and interest only and the terms are not contingent on future events.

Write-off of financial asset
The Company directly decreases the carrying amount of the financial asset if there is no reasonable expectation of recovering the asset in full or in part. The write-off is an event that results in the derecognition of the financial asset.

Recognition of expected credit losses
The impairment model based on expected credit losses will be applied to debt instruments measured at amortized cost or at fair value through other comprehensive income, lease receivables, contract assets and certain written commitments to extend loans and financial guarantee contracts.
The provision for possible credit losses will be provided for expected losses for either 12 months or the entire life cycle. The latter option applies when credit risk has increased significantly since the initial recognition of the financial instrument. A different approach is used for acquired or originated financial assets for impaired loans (e.g., bad debts).
The Company recognizes *valuation provision for expected credit losses* on financial assets measured at amortized cost and at fair value through other comprehensive income in an amount equal to the *expected credit losses* over the entire term if the credit loss has increased significantly since initial recognition. The Company does not reduce the carrying amount of the financial asset measured at fair value through other comprehensive income, but recognizes the valuation provision in other comprehensive income.

Valuation of expected credit losses
The Company groups financial instruments for the purposes of determining a significant increase in credit risk and recognizing the valuation provision for losses on a group basis in order to facilitate analysis to ensure timely identification of a significant increase in credit risk, based on the following credit risk characteristics:
1) type of instrument;
2) credit risk ratings;
3) date of initial recognition;
4) remaining term until maturity;
5) industry;
6) geographic location of the borrower.

The calculation of the provision for impairment losses is made in accordance with the Company's guidance on calculating the provision for impairment losses under IFRS 9.
Changes in fair value attributable to own credit risk are shown separately in other comprehensive income for financial liabilities at fair value through profit or loss.
Amounts recognized in other comprehensive income are not reclassified from other comprehensive income to profit or loss even when the liability is derecognized and the amounts are realized. However, the standard permits transfers within equity.

3.5. Inventories

The Company uses the weighted average cost method to estimate the cost of inventory. When the weighted-average cost method is used, the cost of each item is determined based on the weighted-average cost of similar items at the beginning of the period and the cost of similar items purchased during the period.
When the Company subsequently accounts for inventories unused during the construction of the project for which they were purchased, inventories are valued at the lower of cost and net realizable value. If the actual cost of any type of

inventories exceeds the possible net realizable value, a provision for impairment of the respective type of inventories is made at the end of the reporting period upon completion of construction.

Principles of land valuation
Land plots are taken into account in determining their net realizable value. Land plots used in construction activities take into account the completed facility of which they will be a part, i.e., the land is considered together with the facility as a single generating unit for the purposes of the impairment test. The carrying value of plots is reduced only when the constructed object is expected to be sold at a price lower than the purchase price. In other words, the cost of a site will be written off if the gross profit on the entire property built on that site is negative. The write-off of the site is recorded at an amount at which the gross profit of the entire project would be zero.
The appraisal uses conditional assumptions as to what the situation would have been during the construction period until the property was completed.
The net realizable value of other plots (not used in production) is based on market prices.

3.6. Cash

Cash and cash equivalents include:
1) cash on hand in national and foreign currency
2) cash at settlement accounts in tenge: used to reflect information on presence and movement of cash in tenge at current accounts of the Company, to reflect overdraft in tenge;
3) cash on currency accounts: used to reflect information on availability and movement of cash in foreign currency on current accounts of the Company;
4) cash on deposit accounts in tenge and in foreign currency;
5) other cash and cash equivalents: short-term and highly liquid investments, easily convertible into known amount of cash in advance and exposed to insignificant risk of change in their value
6) cash in transit: used to reflect information on availability and movement of cash on transit currency accounts.

Restricted cash is not included in cash and cash equivalents and is presented in the statement of financial position within other current or non-current assets depending on the period for which it is restricted, or as a separate line item if its amount is significant.

Other cash equivalents also include short-term deposits with an original maturity of not more than three months, as well as funds placed on deposit accounts that are easily convertible to a certain amount of cash and are subject to insignificant risk of changes in value. Deposit accounts in tenge and currency (not exceeding three months), as well as funds placed on deposit accounts easily convertible to a certain amount of cash and subject to insignificant risk of changes in value are used for their accounting;

Amounts of cash and cash equivalents restricted for use within less than 12 months after the reporting date are recorded as current assets.
Deposits placed for more than three months (i.e., a bank deposit agreement is entered into for more than three months) are treated as investments and are subdivided into:
1) short-term – for a period of up to 12 months; and
2) long-term – for a period over 12 months, long-term deposits, being a financial instrument, are accounted in accordance with the section “Financial Instruments”

Deposits with an original maturity of more than 3 months, which the Company can withdraw at any time while retaining the right to receive substantially all of the previously accrued interest, are also recognized by the Company as cash equivalents because such deposits are readily convertible to known amounts of cash with little risk of change in value.

Transactions in foreign currencies are recorded at the market exchange rate at the date of the transaction. Account balances in foreign currency are subject to revaluation at the official exchange rate of the National Bank of Kazakhstan as of the reporting date.
The exchange rate difference arising from revaluation of cash balances on accounts in foreign currency as of the reporting date shall be recognized as income or expense in the period of its occurrence in profits and losses. This exchange difference shall be reflected on the accounts of negative/positive exchange rate differences.

Restricted cash, whether due to contractual or other legal conditions, is designated “Restricted cash” account to facilitate its continued recognition in the statement of financial position. Restricted cash includes:
1) cash reserved in the form of an obligation (e.g. a letter of credit) for the purchase of an asset or as security for the following loan payments;
2) cash in accounts seized by tax or other state authorities;
3) cash in accounts “frozen” in the banks, whose banking license has been revoked
4) cash and cash equivalents with other legal restrictions, which prevent their normal use.

Impairment of cash

In order to reflect the real amount of cash, provision is made for expected credit losses on cash. Provision is made for current, deposit and savings accounts with banks according to their external credit rating. Creation of provision is

reflected on the credit of cash accounting accounts (account “Valuation provision for impairment losses of cash”) and is reflected in the profit and loss account within general and administrative expenses (account “Administrative expenses”).
The Company is required to disclose the composition of cash and cash equivalents and reconcile the amounts in the statement of cash flows to the equisvalent items presented in the statement of financial position.
It is also recommended that the following additional information be disclosed in the notes to the financial statements:
1) amounts of unused borrowed funds available for future operating activities;
2) amounts of cash flows from operating, investing and financing activities for each of the reporting segments.

3.7. Provisions, contingent liabilities and contingent assets

A provision is recognized 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 the amount of the obligation can be reliably estimated.
If the existence or absence of an existing obligation is unclear, a past event is considered to give rise to an existing liability provided that, taking into account all available information, it is more likely than not that an existing obligation exists at the reporting date. However, the existence of an obligation does not depend on whether the party to whom the liability arises is known. If the Company retains the ability to avoid certain expenses in order to continue operations in the future, no liability arises for these expenses and no provision is recognized. The Company recognizes only those liabilities that exist at the end of the reporting period.
An outflow of provisions or other event is considered probable if it is more likely than not that the event will occur. The Company does not make provisions for future operational losses.

Recognition of contingent liabilities
The Company does not recognize contingent liabilities. Where the Company is jointly and severally liable for a liability, the portion of the liability expected to be settled by other parties is considered a contingent liability. Contingent liabilities are assessed on an ongoing basis to determine whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a provision is recognized in the period in which the estimate of the obligation changes.

Recognition of contingent assets
The Company does not recognize contingent assets. The contingent asset is disclosed in the financial statements if it appears probable that economic benefits will flow to the Company. If the receipt of economic benefits is characterized by an exceptionally high degree of certainty, the respective asset is not a contingent asset and is recognized in the financial statements.

Provisions should be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision must be reversed. Only expenditures for which the reserve was originally established are written off.
Future operational losses. The Company does not make provisions for future operational losses because they do not meet the definition of a liability and the general recognition criteria established for provisions.
Onerous contracts. The Company makes provisions for future losses related to onerous contracts. For example, if the Company has a long-term contract for the delivery of goods for which the delivery price is lower than the cost of production, a provision is created in the amount of unrecoverable costs, at the lowest amount: the contract termination penalty or the discounted amount of the loss. Before a provision for an onerous contract is established, the Company recognizes any impairment loss on the assets related to that contract.

3.8. Employee benefits

The Company does not provide post-employment benefits (e.g., defined benefit pension plans).
The Company recognizes the undiscounted amount of short-term employee benefits payable in exchange for services rendered by the employee:
1) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount payable, the Company recognizes the excess as an asset (advances paid) to the extent that the prepayment will reduce future payments or cash refunds; and
2) As an operational expense in the period in which the service is rendered (unless the consideration is capitalized as an asset). Short-term employee benefit expense is recognized in profit or loss in:
- cost of goods sold - on short-term remuneration to employees engaged in the process of construction, production of goods, performance of works or rendering of services;
- general and administrative expenses - on short-term remuneration to employees related to administrative and managerial personnel;
- selling expenses - short-term remunerations to the workers related to the process of selling goods, works and services (sales, logistics, marketing workers).

The Company creates a provision for expenses on future vacations in order to expense them on an even basis.
Although this section of the accounting policy does not require specific disclosure with respect to short-term employee benefits, it may be required by other sections such as Related Parties, which requires disclosure of key management personnel benefits, and Presentation of Financial Statements, which requires disclosure of the amount of employee benefit expenses.

3.9. Revenue

The main activity of the Company is related to construction, namely investments in construction, construction of business centers, shopping and entertainment complexes, objects of residential cultural, social and domestic purposes and other services according to the statutory activities of the Company.
For the purposes of the financial statements, the Company uses the following classification of revenues:

1) Revenue from contracts with customers:

- Sales of multi-storey residential complexes (MSRC), individual residential construction (IRC), ready-to-use offices (commercial real estate), parking lots, etc. For these types of objects the Company acts as a developer for customers.
- Implementation of services for the construction of industrial facilities, roads of regional and transnational significance. For these types of projects, the Company acts as a contractor for the customers.
- Sale of construction and installation works
- The production and sale of building materials and reinforced concrete products
- Implementing services for the organization and management of infrastructure construction for customers on the basis of design and estimate documentation
- Leasing services of hotel rooms
- Office leasing services

2) Non-operational income:

- Financial income:

  interest income on cash and cash equivalents and amounts due from credit institutions;

  income from changes in the fair value of financial instruments;

  income from financial leasing; other financial income;
- Positive exchange rate difference;

- Income from the disposal of investments (subsidiaries or associates);

- Other non-operational income.

Determining the transaction cost

The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both. If the consideration promised in a contract includes a variable amount, the Company would estimate the amount of consideration to which it would be entitled in exchange for transferring the promised goods or services to the customer. The amount of consideration may vary because of discounts, special discounts, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The promised reimbursement may also vary if the Company's right to reimbursement is contingent upon the occurrence or non-occurrence of a future event. For example, the amount of the consideration would be variable if the products were sold with a right of return or if a fixed amount was promised as a performance bonus upon completion of a particular milestone.
The Company must estimate the amount of the variable consideration using one of the following methods, whichever better predicts the amount of consideration to which the Company will be entitled:

1) Expected value is the sum of the probability-weighted values of expected compensation from a range of possible values. The expected value can be an appropriate estimate of the amount of variable consideration if the Company has a large number of contracts with similar characteristics.
2) The most likely amount is the single most likely value of the expected consideration from a range of possible values (i.e., the single most likely outcome of the contract). The most likely amount may be an appropriate estimate of the amount of variable consideration if the contract has only two possible outcomes (e.g., the entity either receives a performance bonus or it does not).

The Company must apply one method consistently throughout the contract when estimating the effect of uncertainty on the amount of variable consideration to which it will be entitled. In addition, the Company must analyse all information (historical, current and projected) that is reasonably available and identify a reasonable number of possible consideration amounts.
The Company must include some or all of the variable consideration in the transaction price only to the extent that it is highly probable that the subsequent resolution of the uncertainty inherent in the variable consideration will not significantly reduce the amount recognised in the cumulative total of revenues.

Significant financing component

The Company should adjust the promised amount of consideration for the effect of the time value of money if the timing of the payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant financing benefit from the transfer of goods or services to the customer. In such circumstances, the contract contains a significant financing component. When adjusting the promised consideration for a significant financing component, the Company uses the discount rate that would apply to a separate financing transaction between the Company and the customer at contract inception. This rate would reflect the credit characteristics of the party receiving the financing under the contract and the collateral or security provided by the customer or the Company, including the assets transferred under the contract. The Company determines the discount rate by identifying the rate that discounts the nominal amount of promised consideration to the price the customer would have paid in cash for the goods or services at the time (or as) they are transferred to the customer. The Company does not adjust the discount rate for changes in interest rates or other circumstances (e.g., a change in the customer's credit risk assessment) after the contract is entered into.

Recognition

Revenue from the provision of services is recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided under the arrangement.
In some circumstances (e.g., in the early stages of fulfilling a contract), the Company may not be able to reasonably estimate the outcome of a performance obligation, but still expect to recover the costs incurred to satisfy the performance obligation. In these circumstances, until the Company can reasonably estimate the outcome of the performance obligation, the Company recognizes revenue only to the extent of costs incurred.
In applying the results method, the Company uses a practical expedient with respect to the "right to invoice". The Company recognizes revenue at the amount for which it has a right to invoice if the Company has a right to recover from the customer an amount that corresponds directly to the value to the customer of the Company's results of operations completed to the current date.
Revenue from the sale of goods is recognized when control of those goods passes to the customer; accordingly, the entity satisfies a performance obligation by transferring the promised good or service to the customer.
For **Authorized Companies** performing construction of multi-storey residential complexes, individual housing construction, the revenue is to be recognized at the moment, the moment is **the date of signing the act of commissioning**. Management of the Company considers the obligations under the contract as fulfilled, and also confirms the transfer of control to the client and its ability to receive all remaining benefits from the use of the asset. Revenue at the moment of signing the act of commissioning is recognized for all entered into share participation agreements (SPA).
Revenue from finished goods sold after the act of commissioning is recognized immediately upon signing the transfer agreement or sale agreement with the customer.
Revenues for **General Contractors, Contractors** in the residential, civil and industrial construction industry, road construction and infrastructure construction organization and management services for the customer based on design and estimate documents are recognized over time, the method chosen is the resource method. Management should conduct an analysis to determine the method used (resources or results) for each newly awarded contract. And also analyze each new contract for the timing of revenue recognition at or over time.

For a group of companies in the commercial real estate management and operations industry, management shall analyze each new contract for the time of revenue recognition at or over time.

Lease revenue is not within the scope of IFRS 15 Revenue.

The Company must present the contract on its balance either as a contract asset or as a contract liability, depending on the relationship between the Company's performance under the contract and the customer's payments. The Company must present separately as a receivable unconditional reimbursement rights.
A receivable is the Company's right to reimbursement that is unconditional. The right to reimbursement is unconditional if the occurrence of the moment when such reimbursement becomes due is only due to the passage of time. The Company is required to account for receivables in accordance with IFRS 9. After the initial recognition of the contract receivable, any difference between the measurement of the receivable under IFRS 9 and the related amount of revenue recognised must be presented as an expense (e.g., as an impairment loss).

3.10. Expenses

Expenses are recognized as incurred and are reported in the Company's financial statements on an accrual basis in the period to which they relate.
Expenses include expenses necessary to generate income from sales (expenses included in cost of sales), general and administrative expenses, selling expenses, financial and other expenses (losses) arising in the ordinary course of the Company's business.

3.11. Impairment of assets

At each reporting date, management assesses whether there is any indication of impairment of assets. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount of the asset is reduced to its recoverable amount; an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset exceeds its recoverable amount. If there has been a change in estimates that causes the asset's recoverable amount to increase, any impairment loss recognized for the asset in prior years is reversed.

Impairment of financial assets is discussed under "Financial Instruments".

3.12. Lease

The Company must assess at contract inception whether the contract as a whole or its separate components is a lease. A contract is, or contains components of, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
The Company is required to account for each lease component of a contract as a lease separate from the non-lease components of the contract unless the Company applies a practical expedient.
Lessor

If the contract contains a lease component and one or more additional components that are or are not leases, the lessor must allocate the consideration under the contract.
Lessee

As a practical expedient, a lessee may elect (for a separate class of underlying asset) not to separate non-lease components from lease components and instead account for each lease component and the corresponding non-lease components as a single lease component. A lessee is not required to apply this practical expedient to embedded derivatives that meet the criteria in IFRS 9 *Financial Instruments.*

The lessee has the right to apply the following exceptions:
a) short-term leases (leases of 12 months or less, subject to the effect of the possibility of extending the term);
b) leass of low-value assets.

Accounting for financial leases with the lessor
At the beginning of the lease term, the lessor must recognize the lease receivable in its statement of financial position. The amount of the receivable must equal the net investment in the lease.
Net investment in the lease is equal to the payments unpaid at lease commencement, discounted to present value (just as recorded in the tenant's accounting) plus initial direct costs.

Accounting for operational leases with the lessor
The lessor shall recognise lease payments under an operating lease as income on a straight-line basis or another systematic basis. The lessor shall apply another systematic method if that method more appropriately reflects the pattern of diminishing returns from use of the underlying asset.
The lessor must recognize costs, including depreciation costs, incurred in earning the lease income as an expense.
The lessor is required to add the initial direct costs incurred in negotiating an operating lease to the carrying amount of the underlying asset and recognise those costs as an expense over the lease term using the same principles that apply to lease income.

Operations on sale with leaseback
*Sale with lease*back involves the sale of an asset and the subsequent lease of that asset by the former owner of the asset.

In this situation, the seller of the asset becomes the lessee and the buyer becomes the lessor.

The accounting for the sale with leaseback depends on whether the transfer of the asset is a sale in accordance with IFRS 15 Revenue from Contracts with Customers.

1. If the transfer is the sale:
The seller (lessee) accounts for the asset as part of the previous carrying amount of the asset. A profit or loss is recognized only for the rights transferred to the lessor.
The buyer (lessor) accounts for the purchase of the asset under current standards and the leaseback under IFRS 16.
2. If the transfer of the asset is NOT the sale:
The seller (lessee) recognizes the transferred asset and cash received for it as a financial liability under IFRS 9 Financial Instruments.
The buyer recognizes a financial asset in accordance with IFRS 9 to the extent of cash paid for it.
The Company is not required to reassess operations of sale with leaseback occurring before the date of initial application to determine whether the transfer of the underlying asset meets the requirements of IFRS 15 to be accounted for as a sale, meaning transactions entered into before January 1, 2019, are not reassessed.

3.13. Income taxes

Income taxes include all domestic and foreign taxes that are based on taxable income. Income taxes also include taxes such as withholding taxes paid by a subsidiary, associate or joint arrangement.

Current income tax for the given and previous periods is recognized as a liability equal to the unpaid amount. If the amount already paid with respect to this and previous periods exceeds the amount due for these periods, the excess amount should be recognized as an asset.

The cost measurement of assets and liabilities under these accounting policies generally differs from the cost measurement under tax accounting records maintained under Kazakhstan or other applicable tax regulations, which give rise to deferred tax liabilities and assets.

The Company should assess the recoverability of unrecorded deferred tax assets at each reporting date. If it becomes probable that future profits will be available against which the deferred tax asset can be utilized, the asset should be recognized. Also, the carrying amount of the deferred income tax asset recognized should be reviewed at each reporting date, and if it is not probable that the Company will have taxable profits in future periods, the deferred income tax asset amount is reduced accordingly to the amount of expected recovery.
The existence of unused tax losses is a strong indication that the entity may not have future taxable income and, therefore, with respect to tax loss carryforwards, the Company recognizes the resulting deferred tax asset only to the extent that there are sufficient taxable temporary differences or other conclusive evidence that there will be sufficient future taxable income.

If the difference between the tax base and the carrying amount of assets and liabilities is temporary, deferred income tax assets and liabilities are formed as follows:

	Deferred tax liabilities	**Deferred tax assets**
Assets	Carrying amount > Tax base	Carrying amount < Tax base
Liabilities	Carrying amount < Tax base	Carrying amount > Tax base

The sequence in determining the income tax expense for the period within one legal entity is as follows:
1) in accordance with the tax legislation, the taxable income for the reporting period shall be determined;
2) according to the rate approved by the tax legislation, the amount of current income tax liability is determined: taxable income X tax rate = tax liability.
3) the tax base of assets and liabilities as of the end of the reporting period shall be defined;
4) the amounts of temporary differences are determined on the basis of comparison of the book value of all assets and liabilities existing on the reporting date of the statement of financial position and their tax base: amount of temporary differences = book value of assets and liabilities - their tax base;
5) exceptions are determined, i.e. temporary differences at the time of initial recognition of the asset or liability that do not lead to the formation of deferred tax assets and deferred tax liabilities;
6) the recoverability of deductible temporary differences as of the end of the reporting period is verified;
7) the tax rate is determined for calculation of the deferred tax asset or deferred tax liability as of the end of the reporting period
8) to calculate the deferred tax asset and deferred tax liability at the end of the reporting period by multiplying the temporary differences leading to the deferred income tax by the tax rate defined in the previous step;
9) the amount of tax effect of temporary differences for the reporting period on profit and loss or equity for the reporting period is determined: the balance of tax effect at the beginning of the reporting period is subtracted from the received amount of tax effect at the end of the reporting period.

The Company has adopted the balance differences method of accounting for deferred taxes.
Taxable temporary differences are recognized when the carrying amount of an asset exceeds the amount that is deductible for tax purposes and when the carrying amount of a liability is less than its tax base.

3.14. Loans

The Company capitalizes borrowing costs directly attributable to the purchase, construction or production of a qualifying asset as part of the cost of that asset. The Company recognizes other borrowing costs as an expense in the period in which they are incurred.

Capitalisation of borrowing costs
Borrowing costs are those borrowing costs that could have been avoided if expenditures for the qualifying asset had not been made. In the case where the Company borrows funds solely for the purpose of acquiring a specific qualifying asset, the borrowing costs directly attributable to that asset can be clearly established.
To the extent that funds are borrowed specifically for the acquisition of a qualifying asset, the amount of borrowing costs permitted to be capitalized on that asset should be determined as the actual costs incurred on that borrowing during the period, less any investment income from the temporary investment of those borrowed funds.
The amount of borrowing costs allowed for capitalization, to the extent that funds are borrowed for general purposes and used to acquire a qualifying asset, should be determined by applying the capitalization rate to the cost of that asset. The capitalization rate should be the weighted average of the borrowing costs applicable to the Company's borrowings outstanding during the period, other than borrowings made specifically for the acquisition of a qualifying asset.
It is appropriate to use the weighted average of the borrowing costs applicable to the Company's own borrowings for each subsidiary in calculating its weighted average borrowing cost.

If a loan was obtained from external sources by one subsidiary and the acquisition of a qualifying asset is financed by intergroup loan proceeds from another subsidiary, to avoid the exclusion of capitalized borrowing costs when calculating the weighted average of borrowing costs, the weighted average borrowing rate for the lowest group level in which both subsidiaries are consolidated should be used in preparing the consolidated statements. The amount of borrowing costs capitalized during a period should not exceed the amount of borrowing costs incurred during that period.
Capitalization of borrowing costs as part of the cost of a qualifying asset begins when the following conditions are first simultaneously met:
1) expenses were incurred under this asset;
2) borrowing costs are incurred;
3) the work necessary to prepare the asset for its intended use or sale is performed.
The expenses of a qualifying asset include only those that result in cash payments, transfers of other assets or interest-bearing liabilities. Expenses are deducted from any interim payments and subsidies received in connection with the asset. The activities necessary to prepare an asset for its intended use or sale include not only the physical creation of the asset itself. It includes the technical and administrative work that precedes the physical creation of the asset, such as the activities involved in obtaining the permits necessary to begin construction. However, these activities do not include the possession of the asset if there is no production and development that changes its physical condition.

Excess of the carrying amount of a qualifying asset over the recoverable
When the carrying amount or estimated ultimate cost of a qualifying asset exceeds its recoverable amount or net realizable value, the carrying amount is written down in whole or in part in accordance with the “Impairment of Assets” section. Under certain circumstances, the amount of the partial or full write-down is reversed.
The expected ultimate cost of a qualifying asset must include the costs necessary to ultimately create the asset as well as estimated capitalized interest.

Suspension of capitalization of borrowing costs
Capitalization of borrowing costs is suspended during long periods when the active development of a qualifying asset is interrupted. Borrowing costs may be incurred over an extended period in which work necessary to prepare the asset for its intended use or sale is interrupted. Such costs include maintenance costs of assets under construction: such costs are not capitalized.
At the same time capitalization of borrowing costs should not be suspended if:
1) significant amount of technical or administrative work is performed during the reporting period;
2) temporary suspension of activity is a necessary part of the process of preparing the asset for its intended use or for sale.
Capitalization of borrowing costs is resumed when construction and/or preparation activities for the qualifying asset are resumed. In the period between the suspension of capitalization of borrowing costs and their resumption, borrowing costs are recognized as an expense in profit or loss, unless the period is too short.

Termination of capitalization of borrowing costs
Capitalization should cease when substantially all of the work necessary to prepare a qualifying asset for its intended use or sale has been completed. For example, when the physical construction of the asset is completed, even though the day-to-day administrative work may still be ongoing. If only minor refinements remain (such as the design of the asset to meet the requirements of the buyer or user), this indicates that the work is substantially complete.
Borrowing costs incurred between completion and sale are expensed during the period. The asset is not depreciated at this time (although it should be considered for depreciation). In the case of a qualifying asset, when construction of a qualifying asset is completed in parts, and each part can be used while construction of the other parts continues, capitalization of borrowing costs should cease when substantially all the work necessary to prepare that part of the asset for its intended use or sale has been completed.

3.15. Related parties

In the ordinary course of business, the Company enters into transactions with related parties. This section applies to:
1) identification of relations and transactions with related parties;
2) identifying outstanding balances between the entity and related parties;
3) identifying the circumstances in which disclosure of the items referred to in the first two paragraphs is required; and determining the information to be disclosed in respect of such items.

The related party of the Company is:
1) Individuals who are key management personnel and their close relatives
2) Subsidiaries of the Company
3) The Company’s associates and their subsidiaries
4) The Company’s joint ventures and their subsidiaries
5) Entities controlled or jointly controlled by the individual defined in clause (1).

Related party transactions are transfers of resources, services or obligations between related parties, regardless of fees.
Related parties are those members of an individual’s family who are expected to influence or be influenced by that individual in their dealings with the Company. This may include:
1) the spouse or common-law spouse and children of such person;

2) the children of such person’s spouse or common-law spouse;
3) dependents of the individual, the individual’s spouse, or the individual’s common-law spouse.

The Company records all compensation issued to related parties to reflect all related party transactions. Compensation includes all employee benefits as defined under “Employee Benefits”, including share-based payments to employees.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including any (executive or non-executive) director of the Company. In considering any relationship with a related party, attention should be paid to the substance of the relationship and not merely its legal form.
For purposes of this section, the following parties are not related parties of the Company:
1) an entity in which a director or other key management personnel is a director or other key management personnel of the Company, or over which a director or other key management personnel of the Company has significant influence;
2) parties only because they are parties to a joint operating agreement in which the Company is also a party;
3) funding organizations, labor unions and utilities only on the basis of having ordinary dealings with the Company (even though they may influence discretion or participate in the decision-making process);
4) an individual purchaser, supplier, franchisee, distributor or general agent with whom the Company conducts transactions of significant volume only on the basis of the existence of this economic dependency.

3.16. Events after the reporting date

Data on assets, liabilities, capital, income and expenses of the Company are reflected in the financial statements taking into account the events that occurred after the reporting date. Such events, as a rule, confirm the existence of conditions as of the reporting date, in which the Company conducted its activities, or testify about the economic conditions, in which the Company conducts its activities, that emerged after the reporting date. Subsequent events are all events up to the date the financial statements are authorized for issuance, even if they occur after the Company’s earnings or other financial information is available. Significant events after the reporting date are analyzed to determine whether they are adjusting or non-adjusting events after the reporting date.
Adjusting events after the reporting date
The amounts recognized in the financial statements are adjusted to reflect such events after the end of the reporting period.
Non-adjusting events after the reporting date
The Company does not adjust the amounts recognized in its financial statements to reflect the impact of such events after the reporting date. Such events are disclosed in the notes to the financial statements without changing the values of the financial statement line items.
Dividends
Dividends declared to equity holders after the reporting date should not be recognized as a liability at the reporting date. If dividends are declared (i.e. duly approved and are no longer at the discretion of the Company) after the reporting date but before the financial statements are authorized for issue, such dividends shall not be recognized as a liability at the reporting date, as no liability existed at that date. Such dividends are disclosed in the notes to the financial statements under “Presentation of Financial Statements”.

3.17. Specific applications

Business Combination
Information about business combinations that are effective after the reporting date and before the financial statements of one of the combining entities are authorized for issue is disclosed if it is material and failure to disclose could affect the economic decisions of users taken on the basis of these financial statements.

Discontinued operations
If part of the assets related to discontinued operations were actually sold or are subject to a binding sale agreement entered into after the reporting date but prior to approval of the financial statements, the relevant information is disclosed in the financial statements if the effects are material and failure to disclose the information could affect the economic decisions of users made on the basis of these financial statements.

Provisions, contingent liabilities and contingent assets
The decision of management or the Board of Directors to restructure, made before the reporting date, does not give rise to a liability at the reporting date unless prior to the reporting date the Company:
1) commenced implementation of the restructuring plan; or
2) communicated the main features of the restructuring plan to interested parties, and thereby formed a reasonable expectation that the Company would actually carry out the restructuring.
If the Company begins to implement a restructuring plan or only communicates the main features of the plan to interested parties after the reporting date, information is disclosed if the restructuring is material and failure to disclose information could affect the economic decisions of users based on these financial statements.

3.18. Fair value measurements

This section applies when any other section requires or permits the use of fair value measurements (FV) or disclosure of FV measurements (and such measurements as FV less costs to sell based on FV or disclosure of such measurements), except as provided below:
1) share-based payment transactions;
2) lease transactions falling within the scope of the "Leases" section;
3) valuations that bear some resemblance to FV but are not FV, such as net selling price under "Inventories" or value in use of an asset under "Impairment of Assets".
Measurement

Asset or liability
In measuring FV, the Company considers the characteristics of the asset or liability if market participants would consider those characteristics in determining the price of the asset or liability at the measurement date. An asset or liability measured at FV may be the following:
1) a single asset or liability (for example, a financial instrument or a non-financial asset); or
2) a group of assets, a group of liabilities, or a group of assets and liabilities (for example, a cash-generating unit or a business).

Operation
FV measurement involves the exchange of an asset or a liability in a transaction between market participants in a voluntary transaction to sell the asset or transfer the liability on the measurement date under current market conditions.
FV measurement involves a transaction to sell the asset or transfer the liability:
1) in the market that is the principal market for the asset or liability; or
2) in the absence of the principal market, in the market that is the most favorable for the given asset or liability.
Market participants
The Company must measure the FV of the asset or liability using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
The Company must identify the common characteristics that distinguish market participants by considering factors specific to all of the following:
1) asset or liability;
2) the principal (or most advantageous) market for the asset or liability; and
3) market participants with whom the Company would enter into a transaction in that market.

Cost
The price in the principal (or most advantageous) market used to measure the FV of the asset or liability should not be adjusted for transaction costs. Transaction costs should be accounted for in accordance with other sections of the Company's accounting policies. Transaction costs are not a characteristic of the asset or liability; rather, they are specific to the transaction and will vary depending on how the Company enters into the transaction for the asset or liability. Transaction costs do not include transportation costs.

Application to non-financial assets

Best and most efficient use with respect to non-financial assets

When measuring the FV of a non-financial asset, the ability of a market participant to generate economic benefits through the best and most efficient use of the asset or through its sale to another market participant that would use the asset in the best and most efficient way is taken into account.
The best and most efficient use of a non-financial asset takes into account the use of the asset that is physically feasible, legally acceptable and financially justifiable, as described below:
1) physically feasible use provides for consideration of the physical characteristics of the asset, which market participants would take into account when setting the price of the asset;
2) legally determinable use takes into account any legal restrictions on the use of the asset that market participants would consider when pricing the asset (e.g., zoning rules applicable to property);
3) financially justifiable use involves consideration of whether a physically feasible and legally permissible use of the asset generates income or cash flows (taking into account the costs of converting the asset to that use) sufficient to produce the return on investment that market participants would demand from an investment in the asset under that use.

Initial condition for the valuation of non-financial assets
The best and most efficient use of a non-financial asset establishes the valuation baseline used to measure the FV of asset, as set forth below:
1) the best and most efficient use of a non-financial asset may provide market participants with the maximum value by using it in combination with other assets as a group of assets (when installed or otherwise configured for use) or in combination with other assets and liabilities.
2) the best and most efficient use of a non-financial asset may provide market participants with maximum value when used separately.

Application in respect of liabilities and the Company's own equity instruments

General principles
In measuring FV, the assumption is made that a financial or non-financial liability or the Company's own equity instrument is transferred to a market participant at the measurement date.
Even if there is no observable market providing pricing information on the transfer of a liability or own equity instrument of the entity, there may be an observable market for those units if they are held as assets by other parties.

Liabilities and equity instruments held by other parties as assets
If a quoted transfer price for an identical or similar liability or the Company's own equity instrument is not available and the identical item is held as an asset by another party, the Company must estimate the FV of the liability or equity instrument from the perspective of the market participant that holds the identical item as an asset at the measurement date.
In such cases, the Company shall measure the FV of the liability or equity instrument as follows:
1) using the quoted price in an active market for an identical unit held as an asset by another party, if such a price is available.
2) in the absence of such a price, using other observable inputs, such as a price quoted in a market that is not active for an identical unit held as an asset by another party.
3) in the absence of observable prices described in subparagraphs (1) and (2), using another valuation method such as:
- income approach;
- market approach.

The Company must adjust the quoted price of a liability or the Company's own equity instrument held by another party as an asset only if there are factors specific to the asset that are not applicable to the measurement of the FV liability or equity instrument. The Company must ensure that the price of the asset does not reflect the effect of a restriction preventing the sale of that asset. Some factors that may indicate that the quoted price of an asset should be adjusted include the following:
1) the quoted price of an asset refers to a similar (but not identical) liability or equity instrument held as an asset by another party;
2) the unit of account adopted for the asset differs from the unit of account adopted for the liability or equity instrument.

Liabilities and equity instruments not held by other parties as assets
If there is no quoted price to transfer an identical or similar liability or the Company's own equity instrument, and an identical unit is not held as an asset by another party, the Company must estimate the FV of the liability or equity instrument using a valuation method from the perspective of the market participant that holds the liability or stated equity interest.

Risk of default
The FV of the liability reflects the impact of the default risk. Non-performance risk includes, among other things, the Company's own credit risk. The assumption is made that the risk of default is the same both before and after the transfer of the liabilty.
In measuring the FV of the liability, the Company must consider the effect of its credit risk (creditworthiness) and any other factors that might affect the likelihood of the obligation being satisfied or not. Such effects may vary from liability, for example:
1) whether the liability is an obligation to provide money (financial liability) or an obligation to supply goods or services (non-financial liability);
2) the terms of the requirement to provide support for the credit quality associated with the liability, if any.

Restriction that does not permit the transfer of liability or the Company's own equity instrument
The Company must not include separate inputs or adjustments to other inputs in its measurement of the FV of liability or its own equity instrument that relate to the existence of a restriction that does not permit a transfer of a unit.

Financial liability with repayment option on demand
The FV of financial liability with repayment on demand is an amount not less than the amount payable on demand, discounted from the first day on which such amount may be required to be paid.

Application to financial assets and financial liabilities with offsetting market or counterparty credit risk positions
The Company, by holding a group of financial assets and financial liabilities, is exposed to the market risk and credit risk of each of its counterparties. If the Company manages such a group of financial assets and financial liabilities based on its net exposure to market risk or credit risk, the Company is entitled to apply the exception provided in this section to FV. The Company is required to FV in a manner similar to how market participants would assess the net exposure on the measurement date.
The Company shall be entitled to use the exception provided for in the paragraph above only if the Company complies with all of the following conditions:
1) manages a group of financial assets and financial liabilities based on the Company's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the entity's formal risk management or investment strategy;
2) provides information on this basis about a group of financial assets and financial liabilities to the Company's management; and
3) is required (or has elected) to report those financial assets and financial liabilities under FV in the statement of financial position at the end of each reporting period.

Exposure to market risks
If the exception provided above is used to measure the FV of a group of financial assets and financial liabilities managed based on the Company's net exposure to a particular market risk (or risks), the Company must apply the price within the bid-ask spread that is most representative of the FV in the circumstances to the Company's net exposure to those market risks.

Fair value on initial recognition

If an asset is acquired or a liability is assumed in a transaction involving the exchange of such asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability *(entry price).*

Valuation methods
The Company must use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to estimate the FV, while maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
The three most widely used valuation methods are the market approach, the cost approach, and the income approach.
If the transaction price represents the FV at initial recognition and a valuation technique that uses unobservable inputs will be used to value the FV in subsequent periods, that valuation technique must be calibrated so that the result obtained using that valuation technique equals the transaction price at initial recognition. After initial recognition, when measuring FV using a valuation technique or techniques that use unobservable inputs, the Company must ensure that the valuation techniques reflect observable market data (e.g., the price of a similar asset or liability) at the measurement date.
The valuation techniques used to value the FV must be applied consistently. However, there must be a change in the valuation method or its application if such a change results in a valuation that is equal to, or most representative of, the FV in the circumstances. So if, for example, any of the following events occur:
1) new markets develop;
2) new information becomes available;
3) previously used information is no longer available;
4) valuation methods improve; or
5) market conditions change.

Changes resulting from a change in valuation method or its application must be recorded as a change in accounting estimate in accordance with the section "Changes in Accounting Policies, Estimates and Errors". However, disclosure of changes in accounting estimates is not required for changes resulting from a change in accounting estimate method or its application.

Input data for valuation methods

General principles
Valuation techniques used to measure FV should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Examples of markets in which inputs may be observable for certain assets and liabilities (e.g., financial instruments) include foreign exchange markets, dealer markets, intermediary markets and principal-to-principal markets.
The Company must select inputs that are consistent with the characteristics of the asset or liability that market participants would consider when transacting the asset or liability. In some cases, such characteristics would result in the application of an adjustment, such as a premium or discount. However, the measurement of FV should not include a premium or discount that is inconsistent with the unit of account adopted in this section that requires or permits the measurement of FV. Premiums or discounts that reflect size as a characteristic of the Company's stock rather than as a characteristic of an asset or liability should not be considered in valuing FV. In all cases, without exception, if a quoted price (i.e., Level 1 inputs) for an asset or liability exists in an active market, the Company must use that price without adjustment when measuring the FV, except as provided below.

Input data based on purchase and sale prices
If the asset or liability measured at FV has a bid price and a ask price (e.g., dealer market inputs), the price within the bid-ask spread that most accurately represents the FV in the circumstances should be used to measure the FV regardless of which category such inputs fall within the FV hierarchy (that is, Level 1, 2 or 3). The use of buy prices for asset positions and sell prices for liability positions is a right, but not an obligation.

Fair value hierarchy
This section establishes the FV hierarchy, which divides the inputs to the valuation method used to measure the FV into three levels. The FV hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).
In some cases, the inputs used to measure the FV of an asset or liability may be divided into categories within different levels of the FV hierarchy. In such cases, the FV measurement is entirely within the same level of the FV hierarchy to which the lowest level inputs, which are material to the evaluation as a whole, belong. Determining the significance of particular inputs to the measurement as a whole requires the exercise of judgment that considers factors specific to the asset or liability.

If observable inputs require adjustment using unobservable inputs and the adjustment results in a significantly higher or lower FV measurement, the resulting measurement would be Level 3 in the fair value hierarchy.

Level 1 inputs

Level 1 inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date. The quoted price in an active market provides the most reliable evidence of FV and should be used to measure FV without adjustment whenever it is available, except as provided below.

The Company shall adjust Level 1 inputs only in the following circumstances:

1) when the Company holds a large number of similar (but non-identical) assets or liabilities that are measured at FV and a quoted price exists in an active market, but is not available at any time, for each of those assets or liabilities individually. In such a case, the Company may value the FV using an alternative valuation method that is not based solely on quoted prices. However, the use of an alternative valuation method results in FV measurement that is at a lower level in the FV hierarchy.

2) when the quoted price in an active market does not represent the FV on the measurement date. The Company shall establish and consistently apply a policy to identify such events that may affect FV measurements;

3) when the Company measures the FV of a liability or the Company's own equity instrument using a quoted price for an identical unit that is traded as an asset in an active market, and such price must be adjusted for factors specific to the unit or asset. If an adjustment to the quoted price of the asset is not required, the result will be FV measurement attributable to Level 1 in the FV hierarchy. Any adjustment to the quoted price of an asset will result in FV measurement attributable to a lower level in the FV hierarchy.

If the Company holds a position in a single asset or liability (including a position consisting of a large number of identical assets or liabilities, such as a package of financial instruments) and the asset or liability is sold in an active market, the FV of that asset or liability must be measured within Level 1 at the amount derived by multiplying the quoted price of the single asset or liability by the quantity held by the Company.

Level 2 inputs

Level 2 inputs – those inputs that are not quoted prices included within Level 1 and that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specific (contractual) period, the Level 2 inputs must be observable for substantially all of the asset or liability.

The adjustments to the Level 2 inputs vary depending on factors specific to the asset or liability. Such factors include the following:

1) the condition or location of the asset;
2) the extent to which the inputs relate to units that are comparable to the asset or liability; and
3) the volume or level of activity in the markets in which the inputs are observed.

Adjustments to Level 2 inputs that are significant to the measurement as a whole can result in a fair value measurement that falls within Level 3 of the FV hierarchy if significant unobservable inputs are used to make the adjustment.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are to be used to measure FV where relevant observable inputs are not available, so situations in which there is little, if any, market activity for the asset or liability at the measurement date are considered. Risk assumptions include the risk inherent in the particular valuation technique used to measure FV (such as the pricing model) and the risk inherent in the valuation technique inputs.

The Company must develop unobservable inputs using all information available under the circumstances, which may include the Company's own data. In developing unobservable inputs, the Company may rely on its own inputs, but the Company must adjust those inputs if reasonably available information indicates that other market participants would have used different inputs or there is some information specific to the Company that is not available to other market participants.

3.19. New or revised IFRIC standards and interpretations mandatory for the annual reporting period beginning January 1, 2020:

Amendments to IFRS 16 Covid-19-Related Rent Concessions on May 28, 2020, the IASB issued the Amendment to IFRS 16 *Leases – Covid-19-Related Rent Concessions*. The amendment provides an exemption for lessees from the requirements in IFRS 16 to account for lease modifications resulting from assignments of leases that arise as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may choose not to analyse whether a lease assignment granted by a lessor in connection with a COVID-19 pandemic is a lease modification. A lessee that makes this election must account for any lease modification resulting from the assignment of a COVID-19 pandemic lease in a manner similar to how the modification would be accounted for under IFRS 16 if it were not a lease modification.

The amendment is effective for annual periods beginning on or after June 1, 2020. Early application is permitted. This amendment did not have any impact on the Company's financial statements.

Standards that have been issued but have not yet entered into force

IFRS 17 Insurance Contract

In May 2017, the IASB issued IFRS 17 *Insurance Contracts*, a new comprehensive financial reporting standard for insurance contracts that addresses recognition and measurement, presentation and disclosure. When IFRS 17 enters into force, it will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 is effective for accounting periods beginning on or after January 1, 2023, with comparative information required. This standard is not applicable to the Company's operations.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 that clarify the requirements for classifying obligations as current or non-current. The amendments clarify the following:

- what is meant by the right to defer settlement of liabilities;
- the right to defer settlement of liabilities must exist at the end of the reporting period;
- the classification of liabilities is not affected by the likelihood that the entity will exercise its right to defer settlement of the liability;
- the terms of the liability will not affect its classification only if the derivative embedded in the convertible liability is itself an equity instrument.

These amendments are effective for annual periods beginning on or after January 1, 2023 and are applied retrospectively. The Company is currently analyzing the possible impact of these amendments on the current classification of liabilities and the need to revise the terms of existing loan agreements.

Amendments to IFRS 3 References to Conceptual Framework
In May 2020, the IASB issued amendments to IFRS 3 *Business Combinations – References to Conceptual Framework.* The objective of these amendments is to replace references to the 1989 Conceptual Framework for Financial Reporting with references to the March 2018 Conceptual Framework for Financial Reporting, without making significant changes to the requirements of the standard.

The Board also added an exception to the recognition principle in IFRS 3 to avoid potential "Day 2" gains or losses, for liabilities or contingent liabilities that would be within the scope of IFRS 37 or IFRIC 21 *Levies*, if they arose in individual transactions.

At the same time, the Board decided to clarify the existing requirements in IFRS 3 for contingent assets that would not be affected by the replacement of references to the Concept of Preparation and Presentation of Financial Statements. The amendments are effective for annual periods beginning on or after January 1, 2022 and are applied prospectively.

Amendments to IFRS 16 Property, Plant and Equipment: Proceeds before Intended Use
In May 2020, the IASB issued *Property, Plant and Equipment: Proceeds before Intended Use*, which prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of items produced in bringing the item to its location and condition that are required for its operation in accordance with management's intentions. Instead, an entity recognizes the proceeds from the sale of those items and the cost of producing those items in profit or loss.

These amendments are effective for annual periods beginning on or after January 1, 2022, and should be applied retrospectively to those items of property, plant and equipment that became available on (or after) the earliest period presented in the financial statements in which the entity first applies these amendments. The amendments are not expected to have any material impact on the Company.

Amendments to IFRS 37 Onerous Contracts – Cost of Fulfilling a Contract
In May 2020, the IASB issued amendments to IFRS 37 that clarify what costs an entity should consider when assessing whether a contract is onerous or loss-making.
The amendments require the application of the "costs directly attributable to the contract" approach. Costs directly attributable to a contract to provide goods and services include both incremental costs of fulfilling that contract and allocated costs directly related to the performance of the contract. General and administrative costs that are not directly attributable to the contract, and therefore are excluded unless they are clearly reimbursable by the counterparty to the contract.

These amendments are effective for annual periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet satisfied all of its obligations at the beginning of the annual reporting period in which it first applies these amendments.

Amendment to IFRS 1 First-time Adoption of IFRS - Subsidiary as a First-time Adopter
As part of its annual improvement process, the IASB issued an amendment to IFRS 1 *First-time Adoption of IFRS - Subsidiary as a First-time Adopter*, 2018-2020. Under this amendment, a subsidiary that elects to apply IFRS 1 paragraph D16(a) is permitted to measure cumulative translation differences using the amounts recorded in its parent's financial statements based on the parent's date of transition to IFRS. This amendment also applies to associates and joint ventures that elect to apply paragraph D16(a) of IFRS 1.
This amendment is effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

Amendment to IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
As part of its annual improvement process for IFRS, period 2018-2020, the IASB issued an amendment to IFRS 9 *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*. The amendment clarifies the amounts of fees an entity considers in assessing whether the terms of a new or modified financial liability are substantially different from those of the original financial liability. Such amounts include only those fees paid or received

between a designated lender and a borrower, including fees paid or received by the lender or the borrower on behalf of the other party. An entity must apply the amendment for financial liabilities that have been modified or replaced at or after the beginning of the annual reporting period in which it first applies the amendment.
The amendment is not expected to have a material impact on the Company.

4. DEFERRED TAX ASSETS

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Deferred tax assets	27 491	22 783
Total	**27 491**	**22 783**

5. PROPERTY, PLANT AND EQUIPMENT

In thousands of Kazakhstani tenge

Initial cost	**Buildings and constructions**	**Machinery and equipment**	**Other**	**Total**
On December 31, 2019	**8 523**	**3 712**	**1 830**	**14 065**
Receipts	-	9 097	1 716	10 813
Disposals	-	-	(388)	(388)
On December 31, 2020	**8 523**	**12 809**	**3 158**	**24 490**
Receipts	1 945	5 480	-	7 425
Disposals	(4 526)	-	-	(4 526)
On June 30, 2021	**5 942**	**18 289**	**3 158**	**27 389**
Accumulated depreciation				
On December 31, 2019	**721**	**556**	**89**	**1 366**
Accumulated depreciation for the year	1 797	1 150	767	3 714
Accumulated depreciation on disposals	-	-	(72)	(72)
On December 31, 2020	**2 518**	**1 706**	**784**	**5 008**
Accumulated depreciation for the year	759	1 376	466	2 601
Accumulated depreciation on disposals	(1 507)	-	-	(1 507)
On June 30, 2021	**1 770**	**3 082**	**1 250**	**6 102**
Carrying amount on December 31, 2020	**6 005**	**11 103**	**2 374**	**19 482**
Carrying amount on June 30, 2021	**4 172**	**15 207**	**1 908**	**21 287**

The property, plant and equipment of the Company are not pledged on the reporting dates.

6. INVENTORIES

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Work in progress	7 229 716	7 054 214
Raw materials and supplies	921 450	410 225

Significant component of financing	836 603	836 603
Materials of subcontractors	695 175	658 243
Finished products	97 168	329 102
Materials put into production	4 325	92 187
Total	**9 784 437**	**9 380 574**

7. ADVANCES PAID

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Advances paid	5 946 720	5 038 604
Total	**5 946 720**	**5 038 604**

8. TRADE AND OTHER RECEIVABLES

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Short-term trade receivables from buyers and customers	21 838	489 352
Short-term receivables on loans granted to employees	2 185	3 000
Debts on return of inventories to suppliers	567	167
Other short-term receivables	4 510 769	1 035 943
Valuation provision for impairment losses on short-term receivables	(28 152)	(71 279)
Total	**4 507 207**	**1 457 183**

9. PREPAYMENT OF TAXES AND OTHER OBLIGATORY PAYMENTS

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
VAT receivable	7 444	26 762
Prepayment for other taxes and payments	130	1
Total	**7 574**	**26 763**

10. CASH AND CASH EQUIVALENTS

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Cash in banks in tenge	8 879	1 423
Provision for impairment of cash	(3)	(1)
Total	**8 876**	**1 422**

Cash is placed in current non-interest bearing accounts and is not restricted in use.

11. AUTHORIZED CAPITAL

The authorized capital of the Company amounted to 100 thousand tenge on June 30, 2021 (on December 31, 2020 - 100 thousand tenge).

12. PROVISIONS

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**

Long-term provision for guarantee liabilities on completed projects	109 182	47 623
Short-term estimated liabilities on employee benefits	3 494	1 706
Provision for liabilities after putting the facility into operation	1 808	-
Total	**49 329**	**49 329**

13. LIABILITIES UNDER THE CONTRACT

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Liabilities under the contract	13 965 879	12 694 784
Total	**13 965 879**	**12 694 784**

The liabilities under the contract relate to the prepaid consideration received from buyers for the properties, the proceeds of which are recognized when the properties are put into operation.

14. TRADE AND OTHER PAYABLES

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Short-term payables to suppliers and contractors	516 195	669 449
Short-term debt to pay wages	3 136	1 655
Debts on execution writs	194	428
Other short-term accounts payable	3 747 814	361 571
Total	**4 267 339**	**1 033 103**

15. LOANS RECEIVED

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Loans received	62	537 751
Total	**62**	**537 751**

Interest-free financial aid from related parties mainly relates to financing of the construction of the Companies' facilities. In accordance with the terms of the loan agreements, the borrower must repay the borrowed funds within 3 days from the date of the lender's written request.

16. ADVANCES RECEIVED

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Advances received	192 471	408 705
Total	**192 471**	**408 705**

17. LIABILITIES FOR TAXES AND OBLIGATORY PAYMENTS

In thousands of Kazakhstani tenge	**June 30, 2021**	**December 31, 2020**
Value added tax	44 778	66 452
Liabilities for pension contributions	493	1 295
Social tax	273	1 748
Individual income tax	239	1 888
Liabilities for social insurance	101	162
Liabilities for other obligatory payments	72	126

Short-term liabilities for corporate income tax	-	63 550
Other	76	144
Total	**135 365**	**135 365**

18. REVENUE

In thousands of Kazakhstani tenge	**For the 6 months ended 2021**	**For the 6 months ended 2020**
Income from sale of residential premises	4 895 262	-
Income from sale of non-residential premises	408 913	-
Income from sale of parking lots	107 770	-
Total	**5 411 945**	**-**

19. COST OF GOODS SOLD

In thousands of Kazakhstani tenge	**For the 6 months ended 2021**	**For the 6 months ended 2020**
Cost of goods sold	4 327 740	-
Formation of guarantee provision fund for construction and installation works	64 642	-
Total	**4 392 382**	**-**

20. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of Kazakhstani tenge	**For the 6 months ended 2021**	**For the 6 months ended 2020**
Wages and related taxes	31 201	10 496
Consulting services	44 941	-
Bank services	5 881	2 687
Travel expenses	-	138
Other	5 967	619
Total	**87 990**	**13 940**

21. SELLING EXPENSES

In thousands of Kazakhstani tenge	**For the 6 months ended 2021**	**For the 6 months ended 2020**
Agent and realtor services	1 303	1 321
Marketing and advertising	-	860
Other	-	25
Total	**1 303**	**2 206**

22. LOSS FROM IMPAIRMENT OF FINANCIAL ASSETS, NET

In thousands of Kazakhstani tenge	**For the 6 months ended 2021**	**For the 6 months ended 2020**
Loss from impairment of financial assets, net	42 080	-
Total	**42 080**	-

23. OTHER OPERATIONAL INCOME

In thousands of Kazakhstani tenge	For the 6 months ended 2021	For the 6 months ended 2020
Other income	7 247	3 457
Total	**7 247**	**3 457**

24. OTHER OPERATIONAL EXPENSES

In thousands of Kazakhstani tenge	For the 6 months ended 2021	For the 6 months ended 2020
Expenses on disposal of assets	2 942	-
Other expenses	1 506	2 876
Total	**4 448**	**2 876**

25. INCOME TAX EXPENSES

In thousands of Kazakhstani tenge	For the 6 months ended 2021	For the 6 months ended 2020
Current corporate income tax expenses	178 822	-
Total	**178 822**	-

26. FINANCIAL RISK MANAGEMENT GOALS AND POLICIES

The Company's main financial liabilities include trade, other payables and lease liabilities. The main goal of these financial liabilities is to finance the Company's operations. The Company has trade, other receivables and financial lease receivables and cash and cash equivalents that arise directly from its operations.

The Company is exposed to credit risk and liquidity risk.

Credit risk

Credit risk is the risk that the Company will incur a financial loss because counterparties fail to discharge their obligations under a financial instrument or customer contract. The Company is exposed to credit risk arising from its operating activities, primarily with respect to lease receivables and financing activities, including loans to subsidiaries. The Company's exposure and the creditworthiness of its counterparties are monitored on an ongoing basis. The maximum exposure to credit risk is limited to the carrying amount of each financial asset.

The carrying amount of financial assets recognized in the Company's separate financial statements, net of allowances for impairment, represents the Company's maximum exposure to credit risk.

Credit risk from customers is managed in accordance with the Company's policies, procedures and controls related to credit risk management. The outstanding balance of financial lease receivables from customers is regularly monitored by the Company's management.

Impairment analysis is performed by the Company's management at each reporting date on an individual basis based on the number of days overdue. The calculations are based on actual historical loss experience.

The Company applies the simplified approach prescribed by IFRS 9 for the measurement of expected credit losses on financial lease receivables, which uses a lifetime allowance for expected credit losses on all receivables. The financial lease receivables were grouped based on overall credit risk characteristics and number of days past due to estimate expected credit losses.

The Company is exposed to credit risk as a result of its operating activities and certain investing and leasing activities. In the course of its investing activities, the Company places deposits with Kazakhstani banks, the risk of default of which at the time of account opening is minimal.

The following table shows the balances of cash, bank deposits placed with banks at the reporting date using Standart & Poor's, S&P Global Ratings and Fitch Ratings credit ratings minus the reserves created:

	Location	2021	2020	June 30, 2021	December 31, 2020
SB ATF Bank JSC	Kazakhstan	B-/Stable	B-/Stable	8 879	1 423

27. CONTINGENT LIABILITIES

Business terms and conditions

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstani economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government. A decline in oil prices is having a negative impact on Kazakhstan's economy. Tenge interest rates remain high. The combination of the above resulted in reduced access to capital, a higher cost of capital and uncertainty regarding further economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Taxation

Kazakhstani tax legislation and practice is in a state of continuous development and is subject to varying interpretations and frequent changes, which may be retrospective. Further, the interpretation of certain transactions by tax authorities for tax purposes may not coincide with that of management. As a result, transactions may be challenged by tax authorities and the Company may be assessed additional taxes, penalties and interest. Tax periods remain open to retroactive review by the tax authorities for five years.

28. EVENTS AFTER THE REPORTING DATE

Due to the rapid development of the coronavirus pandemic (COVID-19) in 2020, many countries, including the Republic of Kazakhstan, have imposed quarantine measures, which have had a significant impact on the level and scope of business activity of market participants. It is expected that both the pandemic itself and measures to minimize its effects may affect the activities of companies in various industries.

The Republic of Kazakhstan ended the state of emergency imposed in connection with the COVID-19 coronavirus pandemic, with quarantine measures being phased out on May 11, 2020.

The Company considers this pandemic as a non-adjusting event after the reporting date, the quantitative effect of which cannot be assessed with sufficient certainty at this time. The Company's management is analyzing the potential impact of changing microeconomic and macroeconomic conditions on the Company's financial position and results of operations.

Director
(Position)

"Midvest"

Askar S. Shaizin
(Full Name)