

KazAgroFinance:
The Gold of Future
Generations



KazAgroFinance
Annual report / 2024

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KazAgroFinance ♦ Annual report / 2024



KAZAGROFINANCE:
THE GOLD OF FUTURE
GENERATIONS



KazAgroFinance Joint-Stock Company

ANNUAL REPORT
2024

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BRIEF COMPANY PROFILE

KazAgroFinance Joint Stock Company (hereinafter referred to as KazAgroFinance, Company) is a financial institution providing agricultural producers with leasing services for the purchase of agricultural machinery.

The Company has been successfully operating for over 25 years, contributing to the development of technical equipment in the country's agricultural sector.

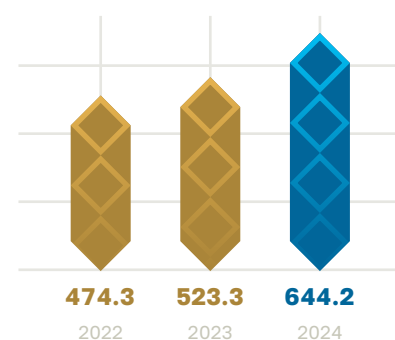
Competitive advantages such as high competence in the industry, many years of experience in the market, a developed branch network, professional staff, reliable credit ratings and access to attracting financial resources allow us to maintain a leading position in the leasing market and remain a reliable partner for domestic farmers.



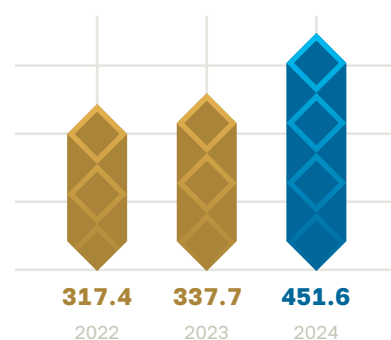
KEY PERFORMANCE INDICATORS

FINANCIAL INDICATORS

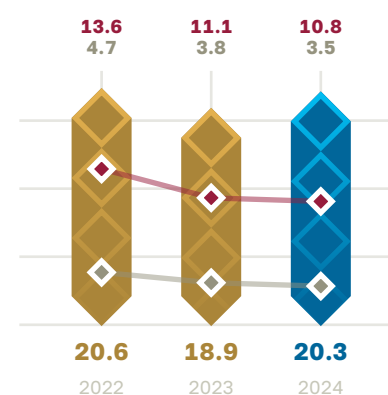
Assets, bln KZT



Liabilities, bln KZT

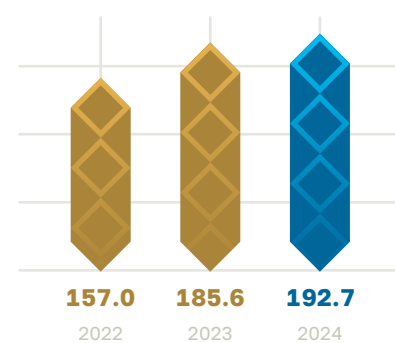


Profitability indicators

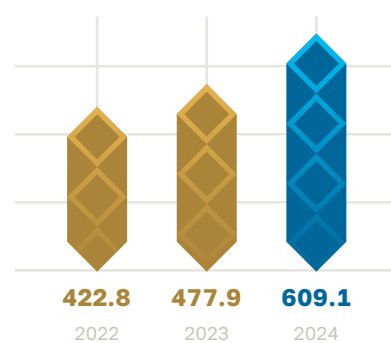


- ◆ Net profit, bln KZT
- ◆ ROE, %
- ◆ ROA, %

Equity capital, bln KZT



Loan portfolio, bln KZT

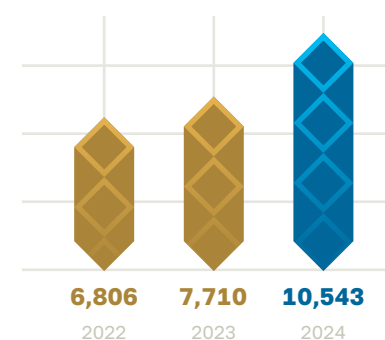


Dividends, bln KZT

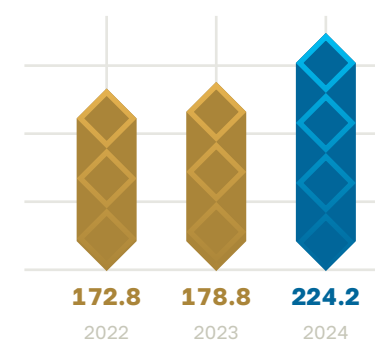


OPERATING INDICATORS

Number of equipment leased, units

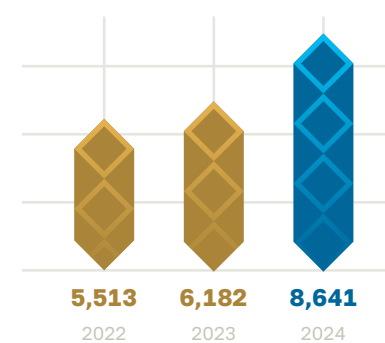


Volume of leasing of machinery and equipment, bln KZT

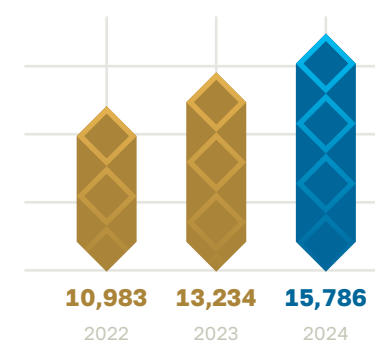


Note: In the diagram "Volume of leasing of machinery and equipment" the amount for 2024 is calculated using the cash basis method

Number of concluded financing agreements, units

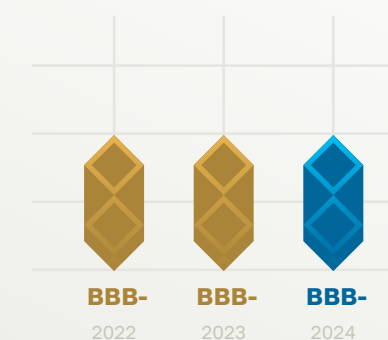


Number of clients in the portfolio at the end of the year, units



NON-FINANCIAL INDICATORS

Fitch Ratings



KEY EVENTS IN 2024

KazAgroFinance issued two bonds for 25 billion KZT, with a maturity of 4 years, and placed in full through private placement.

1

30 January

KazAgroFinance, together with QCloudy, an official partner of Amazon Web Services, developed a system for online monitoring of leased items and collateral using artificial intelligence.

2

23 April

KazAgroFinance issued bonds for 50 billion KZT with a maturity of 5 years and placed in full through private placement.

3

23 May

A preferential leasing program was launched with a rate of 5%, a term of up to 7 years and an advance payment of at least 10%, with the option of payment after the transfer of the leased item, no later than December 1, 2024.

4

28 June

KazAgroFinance issued bonds for 100 billion KZT with a maturity of 7 years and placed in full through private placement.

5

22 July



ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear partners
and colleagues!

I am pleased to greet you on
behalf of the Board of Directors
of KazAgroFinance!

**NURBOLAT
AIDAPKELOV**

Chairman
of the Board of Directors
of KazAgroFinance

5%

One of the significant steps
was the introduction of the
Preferential Leasing program
at 5% per annum

**FOR THE PURCHASE
OF AGRICULTURAL MACHINERY
MADE IN KAZAKHSTAN**

2024 has become an important milestone for the entire agro-industrial sector of Kazakhstan. In February, President of the Republic of Kazakhstan Kassym-Jomart Tokayev instructed to double the volume of financing for agriculture, emphasising the priority of food security and sustainable development of rural areas. Key tasks include expanding preferential leasing mechanisms and updating the fleet of agricultural machinery by at least 10% annually.

KazAgroFinance, as a strategic partner of the state and the leading operator of leasing financing in the agricultural sector, is actively involved in the implementation of priority state initiatives aimed at supporting farmers and technologically upgrading the industry. One of the significant steps was the introduction of the Preferential Leasing program at 5% per annum for the purchase of agricultural machinery made in Kazakhstan. This allowed Kazakhstani farmers to gain access to new equipment on the most favourable terms, while stimulating the development of domestic agricultural machinery.

In the context of growing demands for efficiency and sustainability of the agricultural sector, KazAgroFinance continues to fulfil its key mission – to provide agricultural producers with the necessary resources and solutions for growth, modernisation and technological development.

I am confident that the consistent implementation of state policy and the coordinated work of all participants in the agro-industrial complex will become a solid foundation for increasing the competitiveness of the domestic AIC and the prosperity of rural regions.

ADDRESS BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear colleagues
and partners!

KazAgroFinance is a key
institution of state agricultural
policy and one of the
leading leasing operators
in Kazakhstan.

**AYDAR
PRASHEV**

Chairman
of the Management Board
of KazAgroFinance

25

The year 2024 had a special
symbolic significance for us –
this was the year of

**THE COMPANY'S
25th ANNIVERSARY**

**The company has been
promoting sustainable
development of the agricultural
sector and technological
modernisation of agricultural
production for 25 years.**

The year 2024 had a special
symbolic significance for
us – this was the year of the
Company's 25th anniversary.
KazAgroFinance has come a
long way – from a new player
in the market to a recognised
leader, a reliable partner of

thousands of Kazakhstani
agricultural producers. We are
proud of the contribution we
have made to the development
of the country's agriculture,
and are grateful to our clients,
partners and team for their trust
and joint path.

In the anniversary year, the
Company demonstrated positive
dynamics, expanded the range
of services, introduced new
digital solutions and continued
active work to increase the
availability of financing
for agricultural producers.
Particular attention was paid
to the implementation of the
Preferential Leasing program
at 5% per annum, for the
implementation of which 120
billion KZT were allocated.

**New tasks and ambitious goals
lie ahead. We are confident that
thanks to the professionalism
of the team, the trust of our
clients and support from the
state, KazAgroFinance will
continue to effectively fulfil its
mission and contribute to the
sustainable development of the
agricultural sector.**

**Thank you for your cooperation
and contribution to the common
cause!**

DEVELOPMENT STRATEGY

KazAgroFinance is a key institution of state agricultural policy and one of the leading leasing operators in Kazakhstan.

The company has been promoting sustainable development of the agricultural sector and technological modernisation of agricultural production for 25 years.

1/8

The Development Strategy of KazAgroFinance for 2024–2033 (hereinafter referred to as the Development Strategy) was approved by the decision of the Board of Directors of the Company dated 28.12.2023 No. 13, where 8 tasks within 2 strategic directions and 3 goals, as well as the achievement of results, are planned for implementation in 2024.



GOALS AND OBJECTIVES

STRATEGIC DIRECTION

№1



Promoting the development of competitiveness of the agro-industrial complex through technical and technological equipment

Objective 1.

Increasing the volume of investment in agricultural leasing.

Objective 2.

Automating applications in the OKAPS BRM system.

Objective 3.

Developing the Company's product line, improving the quality and level of availability of leasing services.

Goal 1:

Increasing technical equipment in agriculture

The Company's focus remains on leasing activities in the agro-industrial complex.

EXPECTED RESULTS OF KAZAGROFINANCE:

- ◆ a stable, break-even company that occupies a strong

position in the ranking of Kazakhstani leasing companies;

- ◆ a leader in the leasing services market in terms of customer service quality;

STRATEGIC DIRECTION

№2



Goal 1:

Increasing the profitability of the Company's operations

Goal 2:

Corporate development of KazAgroFinance in accordance with best practices

Efficiency of the Company's activities

Objective 1.

Improving the efficiency of equity and asset management.

Objective 2.

Improving the quality of the loan portfolio and improving the monitoring system for financed projects.

Objective 1.

Improving the corporate governance system and increasing the transparency of the Company's activities;

Objective 2.

Improving the risk management and internal control system;

Objective 3.

Implementing sustainable development principles in the key processes of the Company's activities.

- ◆ a powerful financial instrument for the development of the agro-industrial complex, which maximally meets the industry's needs for high-quality and competitive leasing services.

As such, the comprehensive implementation of the set goals and objectives will allow us to continue strengthening our position as one of the leading and stable financial institutions

for the development of the agro-industrial complex of Kazakhstan.

ABOUT THE COMPANY

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MISSION

Technical and technological modernisation of business entities of the agro-industrial complex of the Republic of Kazakhstan.

VISION

KazAgroFinance is a partner providing comprehensive support to clients in the agro-industrial complex using digital solutions.

TYPES OF ACTIVITIES:

leasing activities in the agro-industrial complex;

lending and other types of activities not prohibited by legislation, consistent with the goals and objectives of the Company, as provided for by the Charter of KazAgroFinance;

participation in the implementation of republican budget and other programs aimed at the development of the agro-industrial complex.

Purpose in the industry –

technological modernisation of the agro-industrial complex by providing agricultural producers with affordable financial resources for the acquisition of agricultural equipment on a leasing basis.

RATINGS

On September 18, the international rating agency Fitch Ratings confirmed the long-term ratings of KazAgroFinance in foreign and national currencies at the level of “BBB-”, the rating outlook is “Stable”.

LICENSES

License of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organisations to conduct banking loan operations in national currency (received on March 31, 2006).

CERTIFICATION

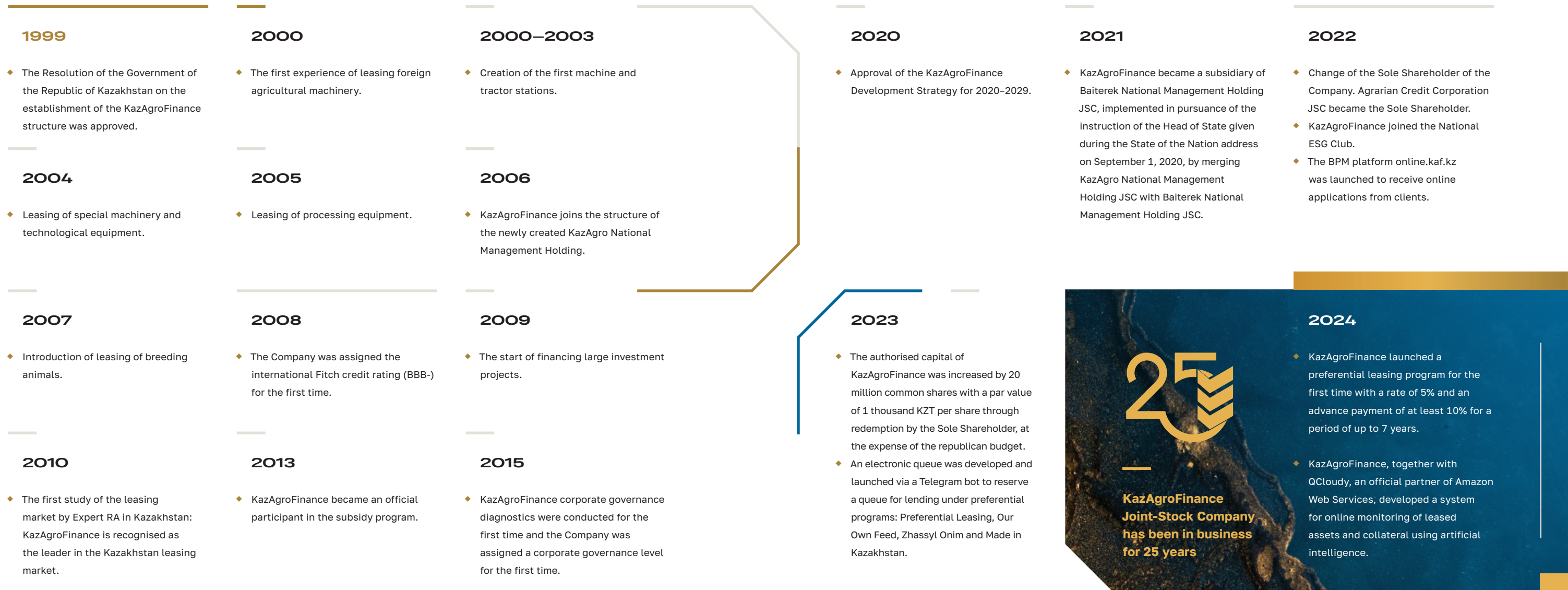
Certification according to the quality management system ISO 9001-2015.

GEOGRAPHY OF ACTIVITY

15 branches in all regions of the country. Cooperation with Kazakhstani factories – manufacturers of equipment, as well as suppliers from near and far abroad.

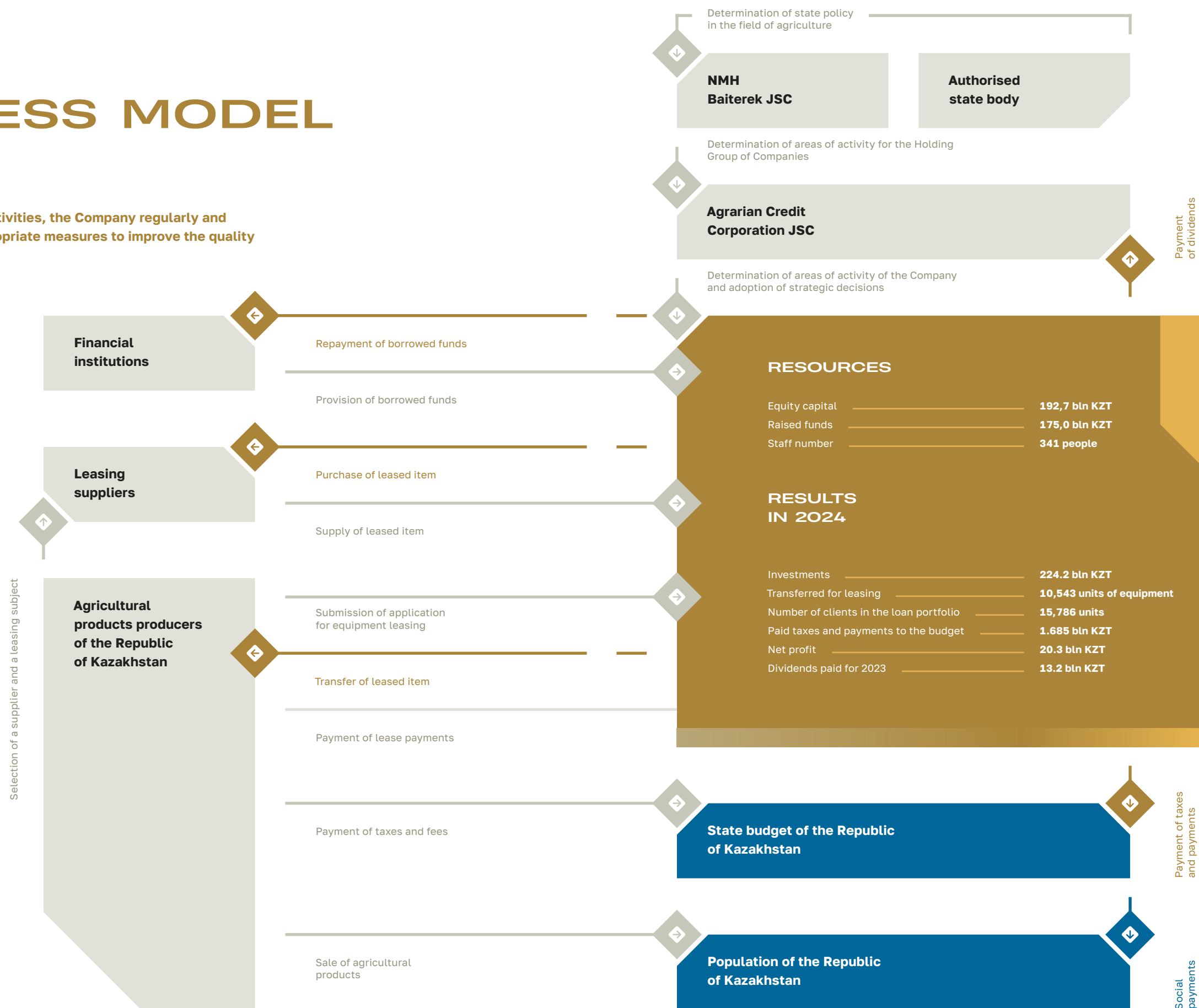
BRIEF HISTORY OF THE COMPANY

KazAgroFinance was registered on December 28, 1999, in accordance with the Decree of the Government of the Republic of Kazakhstan On Certain Issues of Agriculture dated November 24, 1999 No. 1777.



BUSINESS MODEL

In order to improve leasing activities, the Company regularly and continuously carries out appropriate measures to improve the quality of services provided.



COMPETITIVE ADVANTAGES

More than 25 years
of experience in
the leasing sector

Customer-oriented
service standards

Affordable financing
terms

Highly competent
staff

High credit
rating

Wide branch
network

Successful experience
in raising funds using
market instruments

Ongoing work to
improve corporate
governance, risk
management and
internal control
systems

A large base of
leading suppliers
and manufacturers of
agricultural machinery

Listing on the
Kazakhstan stock
exchange since 2008

High level of
transparency of
activities

Recognisable brand
and positive reputation

LEASING PROCESS

The leasing process begins with the client selecting the leased asset and supplier. After receiving a commercial offer from the supplier, the client shall contact KazAgroFinance.

The credit department manager shall provide a consultation on the available financing programs and introduce the client to the list of mandatory documents required to submit an application. After the client provides a full package of documents, the structural divisions of the Company shall conduct an examination of the client's project. Based on the results of the conclusions and examinations, the authorised

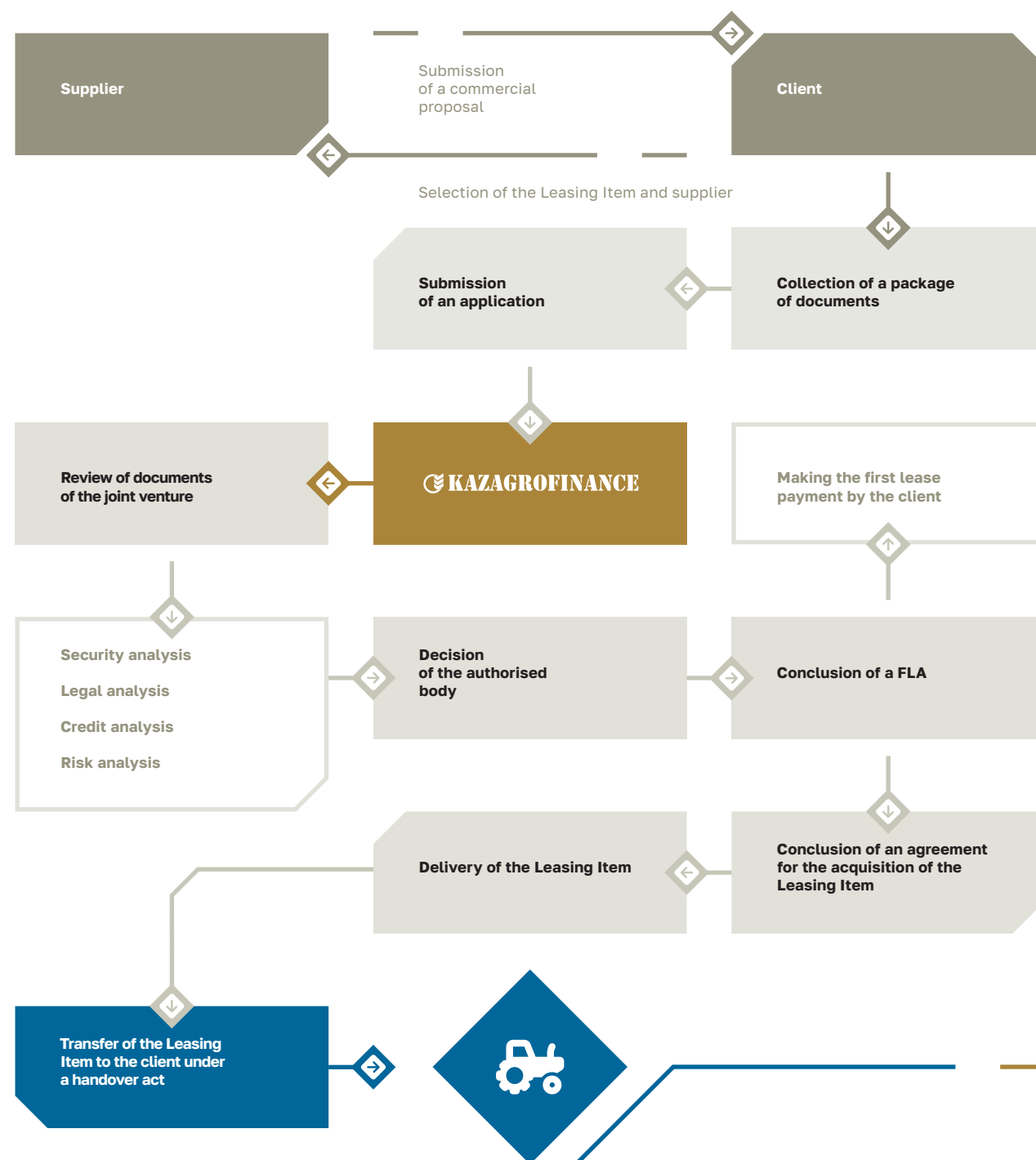
body of the Company (the Credit Committee) shall make a decision on financing the project. The total project review period is 5 (when considering an application in the express leasing format) and 12 working days (when considering an application in the standard format), excluding revision.

If the Credit Committee's decision on the project is positive, a financial leasing agreement is concluded, the client makes the first leasing payment, and then an agreement for the purchase of the leased asset is signed with the supplier. After delivery, the leased asset is transferred to the lessee.

In order to ensure transparency in the process of providing leasing services, applications for preferential financing programs are accepted through the Telegram chatbot. An electronic queue is formed in the Telegram chatbot, in which each potential client application is assigned a serial number. Applications that have received a number in the electronic queue in the Telegram chatbot participate in preferential programs. This ensures a reduction in corruption risks.



LEASING PROCESS



AREAS OF ACTIVITY



The company implements a wide balanced product line of financing programs

that meet the interests and needs of various categories of agricultural producers

and allow them to purchase equipment on favourable terms.

In 2024, the Company had the following programs:

LEASING ON MARKET TERMS:

Agricultural machinery (self-propelled, mounted and trailed)

Special equipment for melioration and agricultural work, including unmanned aerial vehicles

Vehicles for the transportation of biological assets, agricultural and fish products, including freight cars

PREFERENTIAL FINANCING PROGRAMS:

Made in Kazakhstan

Preferential leasing 5%

Preferential leasing 6%

Our own feed

Financing programs at the end of 2024

	Term	Advance	Rate
Leasing on market terms			
Agricultural machinery (mounted, trailed, self-propelled agricultural machinery)	up to 10 years	from 0%	Base rate of the National Bank of the Republic of Kazakhstan plus 7.5% (including subsidies for priority types of equipment – 6%, for others – 15%)
Special equipment for melioration and agricultural work	up to 7 years	from 0%	Base rate of the National Bank of the Republic of Kazakhstan plus 7.5% (including subsidies for priority types of equipment – 6%, for others – 15%)
Vehicles (including tractors and trailers) for the transportation of agricultural and fish products and their processed products, biological assets	up to 7 years	from 0%	Base rate of the National Bank of the Republic of Kazakhstan plus 7.5% (including subsidies for priority types of equipment – 6%, for others – 15%)
Leasing of unmanned aerial systems for agricultural work Unmanned aerial systems (UAS) for agricultural work	up to 5 years	not less than 20%	Base rate of the National Bank of the Republic of Kazakhstan plus 7.5% (not subsidised)
Leasing of used agricultural machinery Used agricultural machinery	up to 7 years	not less than 15%	Base rate of the National Bank of the Republic of Kazakhstan plus 7.5% (not subsidised)
Conditions of preferential financing programs			
Made in Kazakhstan Agricultural equipment and domestically produced/assembled vehicles	up to 10 years	not less than 15%*	6%
Preferential leasing 5% Domestic production and/or assembly of agricultural machinery	up to 7 years	not less than 10%*	5%
Preferential leasing 6% Self-propelled agricultural machinery of domestic production/assembly	up to 10 years	from 0%*	6%
Our own feed Agricultural equipment, forage harvesting equipment and mobile irrigation systems	up to 10 years	not less than 15%*	6%

* There is an opportunity to receive investment subsidies for the repayment of the principal debt, including for use as an advance payment for priority types of equipment

The preferential terms of financing in the form of leasing are the provision of equipment without collateral, without paying commissions with the provision of a grace period, long

financing terms, without making an advance payment (due to investment subsidies in the amount of 15% of the cost of the equipment). The remuneration rate is subsidised by the state,

the final remuneration rate for the client is 6% per annum for priority types of equipment and 15% for other types).

SUBSIDISATION PROCESSES



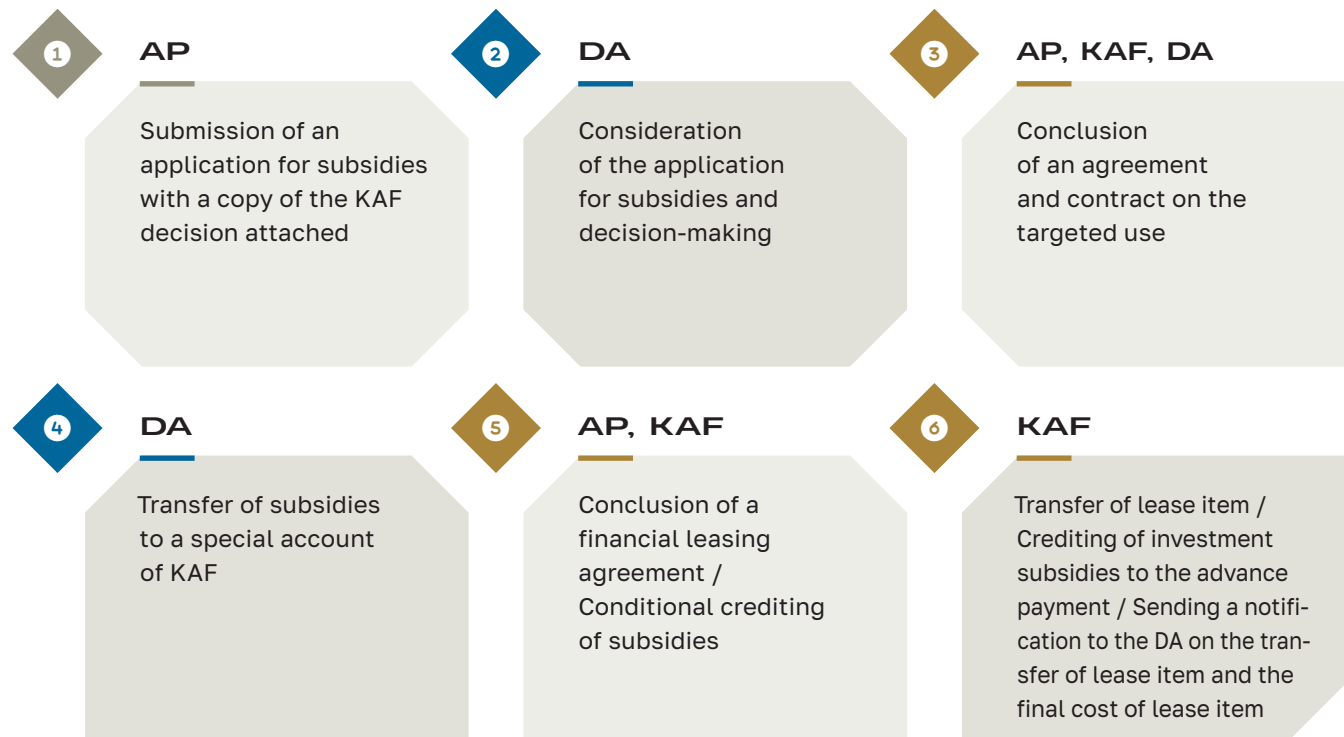
Subsidising part of the costs incurred by an entity in the agro-industrial complex during investment

KazAgroFinance participates in the state subsidy program to reimburse part of the costs incurred by an entity in the agro-industrial complex for investment investments.

Thanks to this measure of state support, agricultural producers in Kazakhstan can provide an advance payment at the expense of investment subsidies when purchasing equipment on lease. The opportunity to receive investment subsidies significantly eases the financial burden on clients and increases the availability of equipment.

Based on the 2024 results, investment subsidies for repayment of advance payments totalling 2.4 billion KZT were received into the Company's special account under 243 financial leasing agreements.

Provision of investment subsidies as advance payment

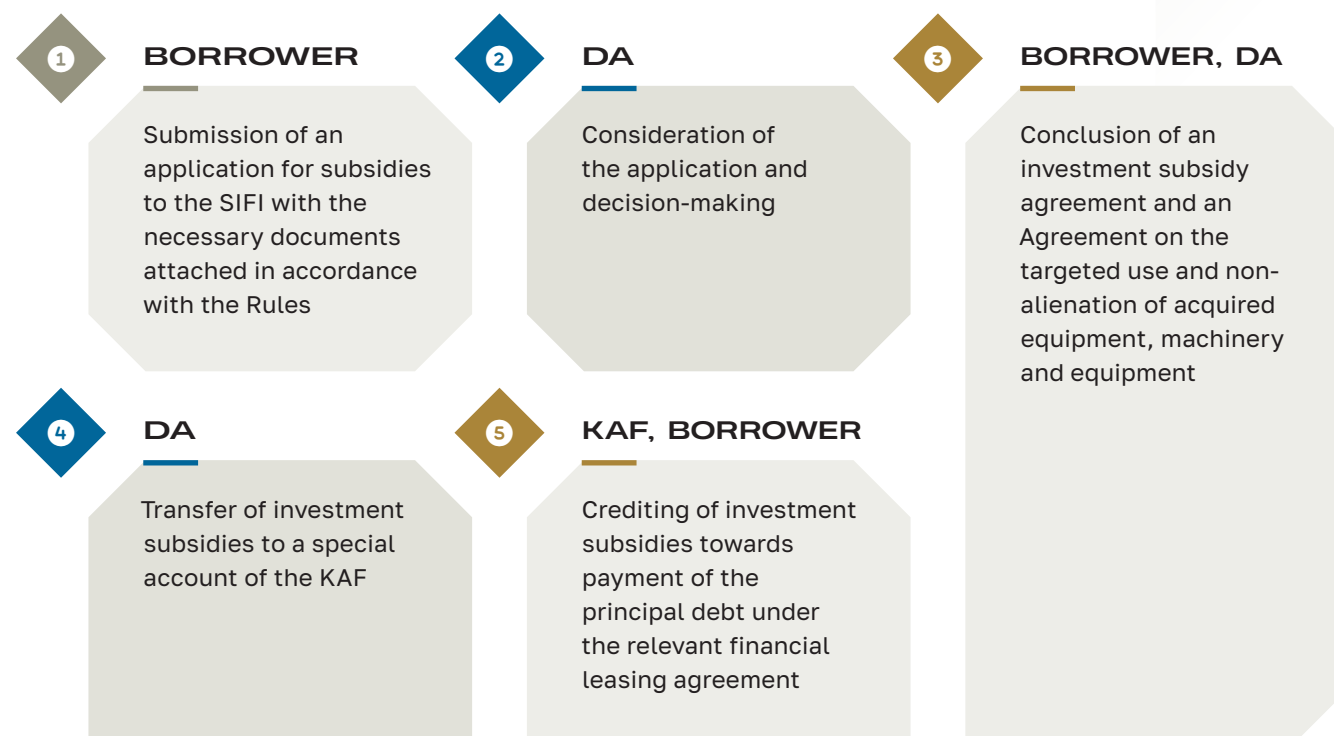


Investment subsidies are used as an advance payment for equipment leasing; the amount of investment subsidies is from 15% of the cost of the leased item

In addition, under concluded financial leasing agreements, incoming investment subsidies are used to pay off the principal debt of agricultural producers.

According to the results of 2024, under the investment subsidy program, investment subsidies for partial early repayment of principle debt totalling 12.7 billion KZT were received into the Company's special account through 1,734 financial leasing agreements.

Investment subsidies for repayment of the principal debt



The amount of investment subsidies is 15% of the value of the leased item

Subsidising the rate of remuneration

KazAgroFinance participates in the state program of subsidising interest rates on loans, as well as leasing of technological equipment and agricultural machinery. The program is aimed at increasing the

availability of financial services for entities in the agro-industrial complex.

Under the 2024 interest rate subsidy program, 2,611 financial leasing agreements

totalling 65.3 billion KZT in principal debt were accepted for subsidy through the Gosagro.kz system. In 2024, subsidies totalling 26.7 billion KZT were received in the Company's special account.

Subsidising the remuneration rate



The borrower pays:

- ♦ 6% of the nominal interest rate under financing agreements providing for the acquisition of priority agricultural machinery and equipment;

- ♦ 15% of the nominal interest rate for other financing agreements.

The remaining part of the nominal remuneration rate is subsidised from the state budget.



OPTIMISATION OF BUSINESS PROCESSES

In order to improve credit and leasing activities, the Company is implementing a set of relevant measures to improve conditions and enhance the quality of services provided.

In the reporting year, as part of developing the product line and increasing the level of availability of leasing services:

- ♦ the Preferential Leasing program was launched with an interest rate of 5% per annum, aimed at financing agricultural machinery of domestic production and/or assembly;
- ♦ changes have been made to the terms of financing unmanned aircraft systems, providing for a reduction in the size of the advance payment to 20% of the cost of the leased item;
- ♦ leasing of used agricultural machinery is provided.

The implementation of the programs Preferential Leasing, Our Own Feed and Made in Kazakhstan with an interest rate of 6% per annum has been continued.

Applications for preferential programs are accepted via a Telegram chat bot by forming an electronic queue with each potential client application assigned a serial number, which ensures transparency of the process of selecting and reviewing applications for financing.

As part of the automation and optimisation of the main business processes, the Company continued to develop the functionality of online applications for financing under the Express Leasing program through the online.kaf.kz portal, focused on automated application submission by signing the necessary documents using an electronic digital signature.

The project provides for the following functionality: a client's personal account, a leasing calculator, as well as direct submission of an application for financing after selecting the required product and choosing the main parameters of the lease item.

The application review process (checking documents, conclusions of structural divisions on the counterparty and the Credit Committee) is also automated, which reduced the time frame and accelerated the application review process. KazAgroFinance will continue to work on optimisation, automation of business processes and development of the product line in the interests of clients.



WORKING WITH SUPPLIERS

The choice of the lease item and the supplier of the lease item is carried out by the client independently in accordance with the Law of the Republic of Kazakhstan On Financial Leasing.

The Company maintains a database of suppliers of agricultural machinery and equipment with whom it has experience of cooperation.

The information is publicly available to interested parties on the Company's corporate website www.kaf.kz.

Suppliers are subject to careful scrutiny for the presence of negative information, compliance with legal requirements and for the formation of a fair value of the lease item.

The Company's requirements for suppliers of lease items are the same for all. The main requirements for suppliers include the following:

- ♦ possession of professional qualifications and experience in the market of the supplying leased item for at least 6 months;
- ♦ absence of unfulfilled (overdue in accordance with the terms of the leased item acquisition agreement) obligations to the Company;
- ♦ availability of certificates, licenses required to carry out activities for the supply of the leased item;
- ♦ provision of warranty and post-warranty services;

- ♦ absence in the register of unscrupulous participants in public procurement;
- ♦ absence of the status of an unreliable supplier.

After concluding an agreement with the supplier for the acquisition of the leased item and the delivery of equipment, the Company accepts the leased item, pays for it to the supplier and then transfers it to the lessee. The logistics of the leased item, customs clearance and other actions related to delivery are carried out by the Company's employees, which makes the leasing process as simple and accessible as possible for lessees.

MANAGEMENT REPORT

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MACRO- ECONOMIC INDICATORS



GROSS DOMESTIC PRODUCT (GDP)

Gross domestic product (GDP) is one of the most important indicators of the system of national accounts, characterising the final result of the country's economic activity.

The volume of GDP produced in the country for January-December 2024 (according to operational data) amounted to 135,251,663.6 million KZT. GDP increased by 4.8% in real terms compared to the same

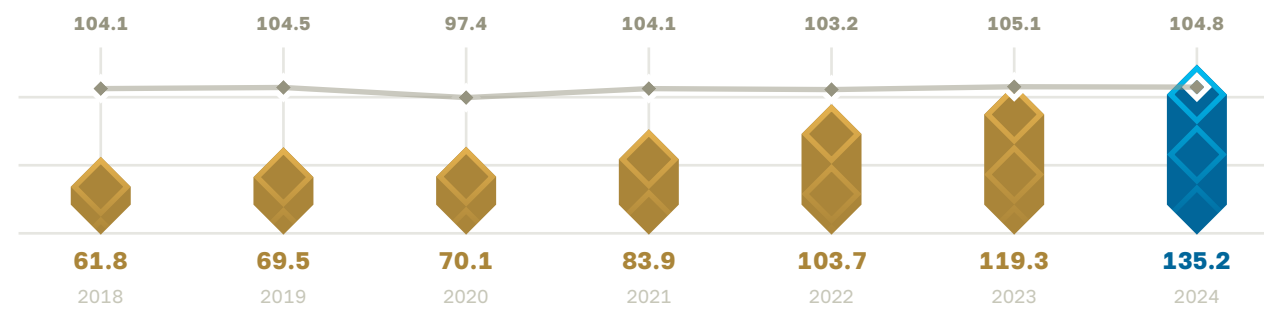
period of the previous year. GDP calculated at the average annual dollar exchange rate of the National Bank of the Republic of Kazakhstan amounted to 288,112.8 million US dollars.

GDP by production method

	in current prices, million KZT	compared to the previous year, in %	in % of the total
Gross domestic product	135,251,663.6	104.8	100.0
Agriculture, forestry and fisheries	5,322,726.7	113.7	3.9

Source: Official website of the Bureau of National Statistics

GDP dynamics

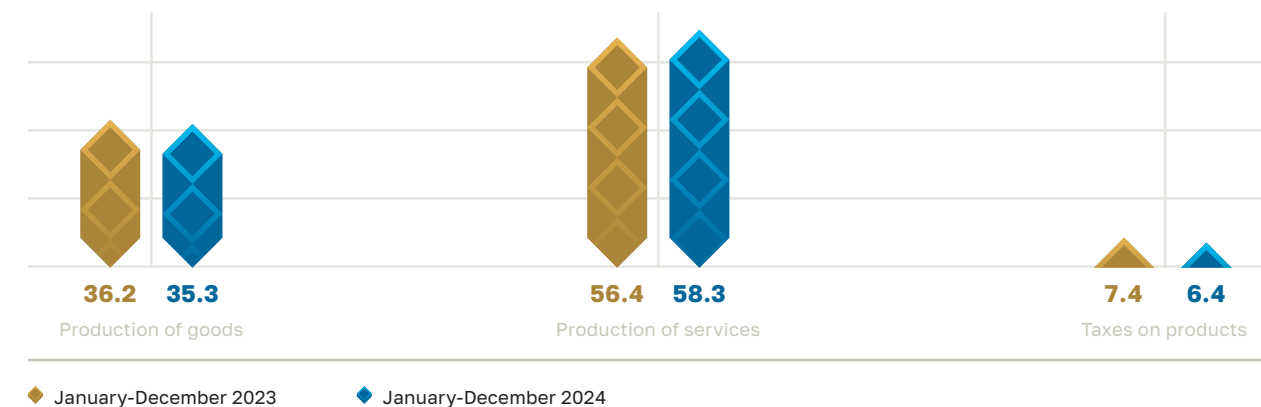


◆ Gross domestic product by production method, trillion KZT ◆ Index of physical volume of GDP by production method, %

Source: Official website of the Bureau of National Statistics

The shares of production of goods and production of services in GDP for January-December 2024 amounted to 35.3% and 58.3%, respectively. The main share in the production of GDP is the industry – 25.6%.

GDP structure for January-December 2024, %



Source: Official website of the Bureau of National Statistics

Compared with the same period of the previous year, GDP increased by 4.8% in real terms.

The sectors with the highest growth were real estate

transactions (24%), supply of electricity, gas, steam, hot water and air conditioning (18.7%), arts, entertainment and recreation (18.3%), wholesale and retail trade;

repair of motor vehicles and motorcycles (18.3%), provision of accommodation and food services (17.2%).

INVESTMENT VOLUME

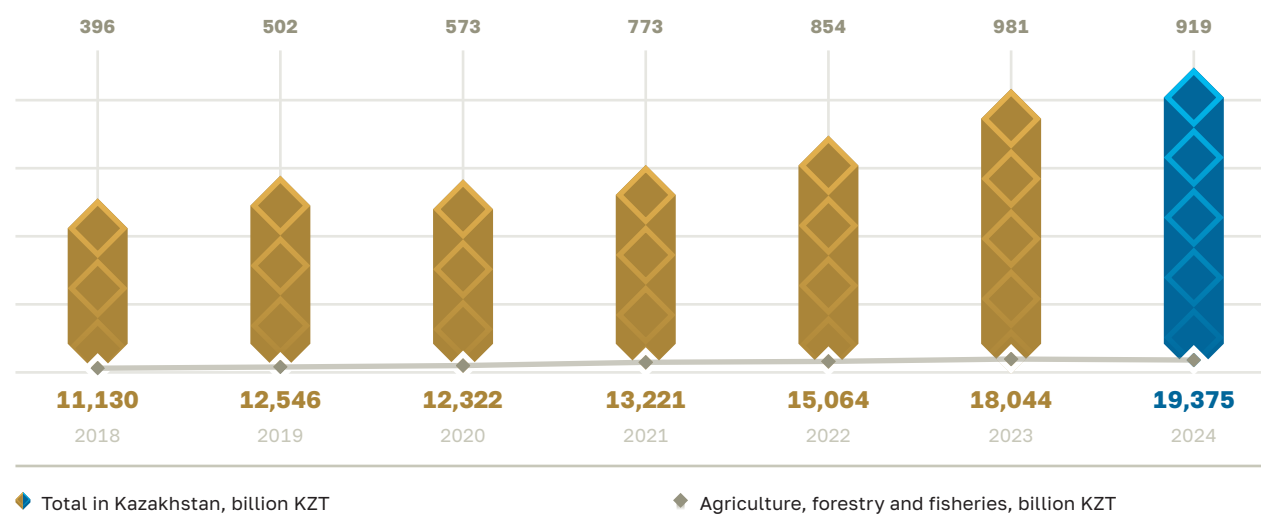
In January-December 2024, the volume of investments in fixed assets amounted to 19,374.9 billion KZT, which is 7.5% more than in 2023.

The predominant sources of investment in January-December 2024 remain the own funds of business entities, the

volume of which amounted to 12,487.9 billion KZT or 64.4% of the total volume.

In January-December 2024, compared to 2023, there is an increase in costs for construction and major repairs of buildings and structures by 15.9%.

A significant share of investments in fixed assets in January-December 2024 falls on the mining industry and quarrying (18.9%), real estate transactions (19.1%), transportation and warehousing (18.1%) and the manufacturing industry (10.7%).

Investments in fixed assets, bln KZT

Source: Official website of the Bureau of National Statistics

Budget funds accounted for 21.2% of the total volume of investments in fixed assets, while compared to 2023, they increased by 36.7%.

The share of the banking sector in financing the real sector of

the economy in the total volume of investments in fixed assets is 3.8%.

The main share of investments in fixed assets in January-December 2024 falls on industry (39.7%) (including

mining and quarrying – 18.9%, manufacturing – 10.7%), real estate transactions (19.1%), transport and warehousing (18.1%) and agriculture, forestry and fisheries (4.7%).

INFLATION

Inflation in the Republic of Kazakhstan slowed down from 9.8% in 2023 to 8.6% in 2024.

2021	2022	2023	2024
8.4	20.3	9.8	8.6

Source: Official website of the Bureau of National Statistics

Prices for paid services increased by 13.3% over the year (in 2023 – 12.4%), non-food products – by 8.3% (in 2023 – 9.1%), food products – by 5.5% (in 2023 – 8.5%).

Compared to the previous year, tariffs for cold water increased by 43.1%, water disposal – by 25.7%, central heating – by 22.3%, hot water – by 19.2%, electricity – by 18.4%, gas

transported through distribution networks – by 12.1%, garbage collection – by 10.3%.

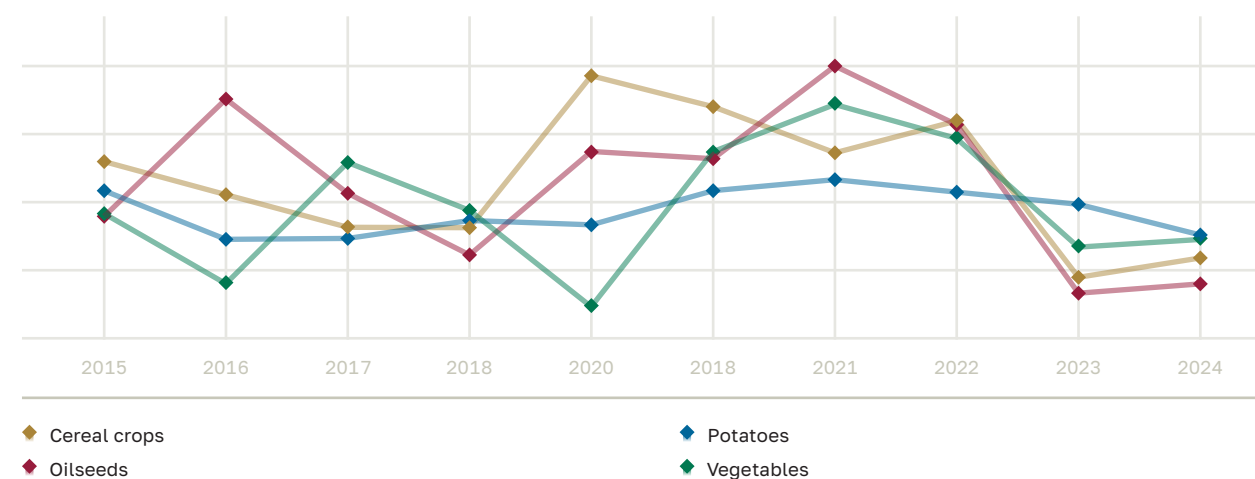
The prices for tobacco products increased by 15.9%, mineral and drinking water by 15.3%, confectionery by 12.8%, fresh vegetables by 12.4%, soft drinks by 11.7%, processed and canned fish by 10.7%, ice cream by 10.6%, and fruit and

vegetable juices by 10.5%. A decrease in prices was observed for buckwheat by 21.4% and carrots by 8.7%. Over the year, prices for fruits and vegetables increased by 9.3% and made the main contribution to inflation at 0.6 percentage points.

The increase in the price of meat and meat products by 3.4% contributed 0.4 percentage points, non-alcoholic beverages (by 8.4%), dairy products (by 6.1%), bakery products and cereals (by 3.5%) – 0.2 percentage points each to annual inflation.

Producer price index for individual types of agricultural products, compared to the previous year, %

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plant products, total	112.1	106.7	103.6	103.2	117.9	116.5	116.9	119.8	96.1	96.4
◆ grain crops	113.3	107.6	102.2	102.0	127.9	122.6	114.8	120.3	93.6	96.8
◆ oilseeds	103.8	123.9	107.8	97.4	114.9	113.8	129.5	119.5	90.9	92.5
◆ potatoes	104.5	92.7	113.0	104.9	88.8	115.0	123.2	117.4	98.9	100.2
◆ vegetables	108.3	100.0	100.2	103.3	102.5	108.3	110.2	108.1	106.0	100.8

Producer Price Index

Source: Official website of the Bureau of National Statistics

The consumer price index in December 2024 was 100.9%. Prices for food products increased by 1.1%, paid services, non-food products – by 0.8%.

Among food products, prices for cucumbers increased by 31.3%, tomatoes by 13.2%, sweet peppers by 10.4%, potatoes by 6.6%, garlic by 5.4%, cabbage by 5.1%, salted herring by 4.1%, grapes by 3.9%, pears by 3.4%, and sunflower oil by 3%. A decrease in prices was noted for buckwheat by 1.7%, sugar, and rice by 1.6%.

In December 2024, compared to the previous month, the producer price index for

agricultural products was 99.9%, for crop products – 99.7%, and for livestock products – 100.7%.

Prices for millet fell by 4.2%, wheat, except for durum wheat, by 2%, dried peas by 1.5%, oats by 1.1%, while prices for sunflower seeds increased by 3.8%, flax seeds by 1.3%, dried lentils by 1%, and rapeseed by 0.8%.

A decrease in prices was noted for cotton, irrespective of seed removal, by 5.2%, forage grain crops by 0.3%, and for greenhouse cucumbers, a price increase of 20.8%, greenhouse tomatoes by 5.7%, potatoes by 3.5%, carrots and table beets by 1.4%.

Eggs increased in price by 3.7%, raw cow milk by 1.2%, cattle by 0.8%, and poultry and pigs fell in price by 1%.

Amongst food products, vegetable oil increased in price by 2%, cereals by 1%, bread and rice by 0.4%, poultry by 0.3%, rye flour fell in price by 5.5%, sugar by 2%, wheat flour by 0.6%, pasta by 0.5%, and cattle meat by 0.3%.

ANALYSIS OF THE AIC SECTOR



The agro-industrial complex of Kazakhstan is an important component of the country's economy, which includes industries for the production of agricultural products and their processing, and delivery to the consumer.

Kazakhstan is a significant producer of grain, meat, wool, mineral fertilisers, and other commodities, ranking in the top

ten global grain exporters and being a leader in flour exports. Seventy percent of fertile land in the northern region is utilised for grain and industrial crops, including wheat, barley, and millet.

Rice, cotton, and tobacco are cultivated in the southern region of the country. Kazakhstan is renowned for its gardens, vineyards, and cucurbit crops.

Development of agriculture is an important factor in economic growth in rural areas. In view of this, the state actively supports the agro-industrial complex, allocating significant funds for preferential financing, subsidies and leasing of agricultural machinery. These measures are aimed at stimulating the growth of agriculture, updating equipment and reducing dependence on imported products.

STRUCTURE OF LAND

According to the Ministry of Agriculture of the Republic of Kazakhstan for 2024, the area of the country's land fund is 262.9 million hectares.

Agricultural lands have a special legal regime and are subject to protection aimed at limiting the seizure of these lands, preserving and increasing their

fertility. The area of lands of this category in the structure of the land fund is 117.1 million hectares or 44.5% of the used lands.

262.9

According to the Ministry of Agriculture of the Republic of Kazakhstan for 2024, **the area of the country's land fund is 262.9 million hectares**



Source: Official website of the Bureau of National Statistics



GROSS OUTPUT

Gross output of products (services) in agriculture, forestry and fisheries in January-December 2024

amounted to 8,281.9 billion tenge, including gross output of crop production - 4,954.6 billion tenge,

livestock – 3,269.1 billion tenge, services in the field of agriculture – 9.6 billion tenge.

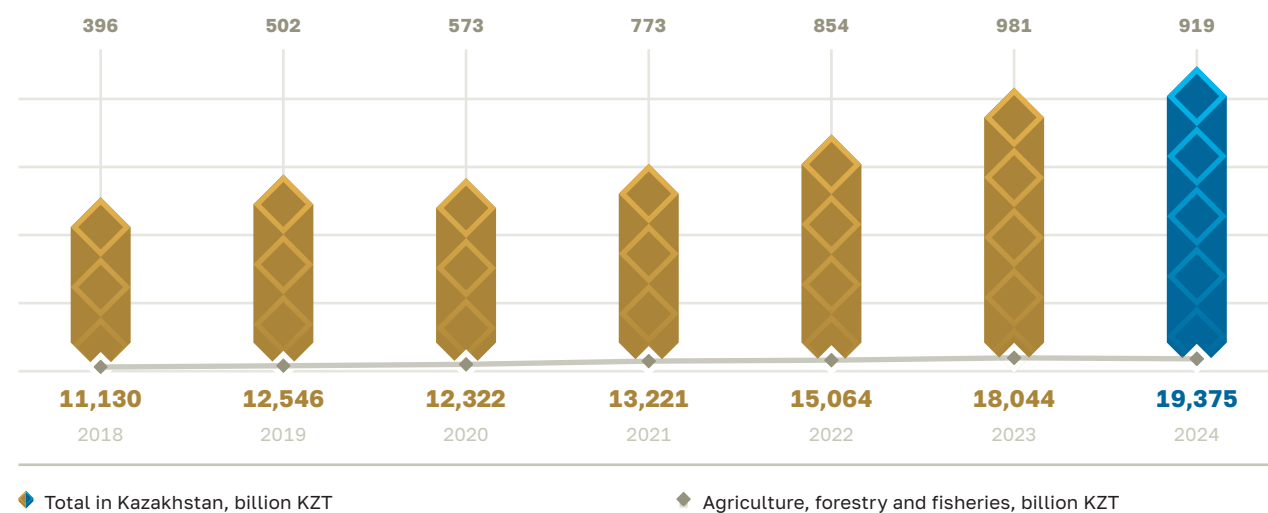
Index of physical volume of gross output (services) of agriculture, forestry and fisheries

	2024 to 2023, %
Gross output	113.7
of which:	
♦ gross crop production	121.1
♦ gross livestock production	103.6

Source: Official website of the Bureau of National Statistics

INVESTMENTS IN THE AGRO-INDUSTRIAL COMPLEX

Investments in fixed assets, including in the agro-industrial complex, billion KZT



Source: Official website of the Bureau of National Statistics

The predominant sources of financing investments

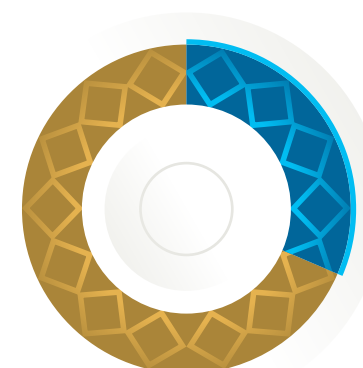
in agriculture, forestry and fisheries are also the own funds

of the subjects of the agro-industrial complex, 68.5%.

Investments in fixed capital of the agro-industrial complex, thousand KZT	including				
	state funds		proprietary funds	bank loans	other borrowed funds
	republican budget	local			
919,007,364 (98,9% to 2023)	498,196	568,557	629,291,423	29,184,982	259,464,206

Budget funds accounted for 0.1% of the total investment in fixed capital of the agro-industrial complex.

Share of investments in the agro-industrial complex by sources of financing, %



68.5% . ♦ Own funds
31.4% . ♦ Loans
0.1% ... ♦ Local budget
0.1% ... ♦ Republican budget

The main share of investments in the agro-industrial complex falls on the production of crop products – 99.2%.

The Company is constantly taking measures to increase the volume of financing of agro-industrial complex entities for the purpose of material and technical equipment for spring field work and the harvesting campaign, so in 2024,

10,543 units of agricultural equipment were leased, for the amount of 228.5 billion KZT (under financial leasing agreements).

In addition, in order to ensure an annual increase in the volume of investments in equipment leasing, systematic work is being carried out to attract funds from various sources of financing.

Investments in fixed capital by areas of use in the agro-industrial complex, thousand KZT

	Commissioning of new fixed assets	Investments in fixed assets
Agriculture, forestry and fisheries	731,975,302	919,007,364
Crop and livestock production, hunting and provision of services in these areas	728,017,715	911,769,422
Growing annual or biennial crops	427,461,194	485,192,003
Growing perennial crops	2,323,817	7,243,218
Plant reproduction	56,698	232,138
Animal husbandry	237,400,579	353,100,169
Mixed farming	51,449,632	56,555,338

Source: Official website of the Bureau of National Statistics

ANALYSIS OF AGRICULTURAL MACHINERY FLEET



In accordance with the objectives of the state policy, one of the priority goals is to provide the AIC with modern agricultural technology, since the technical equipment of agricultural producers remains an important problem in the development of the agro-industrial complex, which is enshrined:

- ♦ in the State of the Nation Address Economic Course of a Just Kazakhstan dated September 1, 2023;
- ♦ in the Concept for the Development of the AIC of the Republic of Kazakhstan for 2021-2030, approved by the Resolution of the Government of the Republic of Kazakhstan dated December 30, 2021 No. 960 (hereinafter referred to as the Concept for the Development of the AIC);
- ♦ in the Comprehensive Plan for the Development of the Mechanical Engineering Industry of the Republic of Kazakhstan for 2024-2028, approved by the Resolution of the Government of the Republic of Kazakhstan dated November 7, 2023 No. 991;
- ♦ in the instruction of the Prime Minister of the Republic of Kazakhstan, voiced at the meeting of the Government of the Republic of Kazakhstan on December 21, 2023 (on financing the agro-industrial complex);

- ♦ in the protocol instruction of the Prime Minister of the Republic of Kazakhstan, dated September 23, 2024, on issues of supporting entities of the AIC and the progress of harvesting operations;
- ♦ in the speech of the Head of State at the extended meeting of the Government of the Republic of Kazakhstan dated 28.01.2025 (issue 5 – Strengthening the potential of the AIC).

According to the Ministry of Agriculture of the Republic of Kazakhstan, as of December 31, 2024, there were 569,863 units of agricultural equipment in Kazakhstan, including 248.8 thousand units of main equipment: 138.9 thousand units of tractors, 31.0 thousand units of harvesters, 5.6 thousand units of seeding complexes, 17.1 thousand units of reapers, while on 01.01.2024 the number was 654,503 units.

According to the Ministry of Agriculture of the Republic of Kazakhstan, as of December 31, 2024, there were

569



THOUSAND UNITS of agricultural equipment in Kazakhstan

Item	2022	2023	2024
Availability of agricultural machinery park in the Republic of Kazakhstan, total	688,758	654,503	569,863
including the main types	286,055	283,921	248,772

Source: Official website of the Bureau of National Statistics

An analysis of the data provided by the Ministry of Agriculture of the Republic of Kazakhstan on the agricultural machinery fleet showed that the share of tractors produced more than 10 years ago exceeds 68%, and forage harvesters reaches 74%:

Agricultural equipment	Availability of machinery in the Republic of Kazakhstan as of 31.12.2024	The amount of acquired agricultural machinery in the Republic of Kazakhstan over 10 years (2015–2024)	Share of agricultural machinery used for more than 10 years, %
Tractors	138,887	43,456	68.7%
Grain harvesters	30,866	11,126	64%
Forage harvesters	1,255	325	74.1%
Seeding complexes	5,623	2,339	58.4%
Reapers	17,086	3,324	80.5%
Seeders	70,671	12,909	81.7%

Source: Official website of the Bureau of National Statistics

Old technologies and an outdated fleet of agricultural machinery hinder the growth of labour productivity and the increase in production. The use of worn-out equipment leads to increased fuel and spare parts costs, product losses and reduced quality, equipment downtime due to malfunctions and other negative consequences.

In order to change the situation with the renewal of the agricultural machinery fleet, at an extended meeting of the Government of the Republic of Kazakhstan held on February 7, 2023, the Head of State gave an order to increase the

volume of preferential leasing of agricultural machinery to 450 billion KZT annually and to bring the rate of renewal of agricultural machinery to 10% per year¹.

In addition, stimulating the acquisition of agricultural machinery by farmers (including domestically produced), through the implementation of investment subsidy programs for part of the cost of acquired agricultural machinery and funding the development institutions of JSC NMH Baiterek for the implementation of leasing programs made it possible to increase the volume of acquired agricultural machinery.

At the same time, the development of technical equipment and the introduction of world developments require significant financial investments. Considerable attention is paid to this issue.

Thus, within the framework of the Concept for the Development of the AIC, measures have been established to update the pace of the agricultural machinery fleet:

- ♦ stimulation of the acquisition of agricultural machinery by farmers (including domestically produced) by implementing investment subsidy programs for part of the cost of the acquired agricultural machinery,

¹ www.akorda.kz/ru/vystuplenie-glavy-gosudarstva-kasym-zhomartatokaeva-na-rasshirennom-zasedanii-pravitelstva-71442



ANALYSIS OF THE LEASING MARKET

Leasing is an effective tool for renewing fixed assets and is actively used in world practice. In Kazakhstan, leasing activities are regulated by the Law of the Republic of Kazakhstan dated July 5, 2000 No. 78-II On Financial Leasing, the Civil Code of the Republic of Kazakhstan (Special Part) and the Code of the Republic of Kazakhstan On Taxes and Other Mandatory Payments to the Budget (Tax Code).

According to the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan (hereinafter referred to as the Bureau of Statistics), in 2024 in the country:

- the current leasing portfolio amounted to 2,518.9 billion KZT, and compared to 2023, the increase was 712.3 billion KZT;
- the cost of financial leasing agreements – 991.3 billion KZT, the increase compared to 2023 was 234.6 billion KZT.

The most attractive sectors were transport and warehousing – 36%, agriculture, forestry and fisheries – 27.3%, and manufacturing – 21.6% of the total value of financial leasing agreements.

Number (units) and value of agreements (billion KZT) by areas of financial leasing use, including in the agro-industrial complex:

	Vehicles and equipment		Other machines and equipment		of which machines for agriculture and forestry		Total	
	bln KZT	units	bln KZT	units	thousand KZT	units	bln KZT	units
Republic of Kazakhstan	506	3,477	486	11,461	268	11,023	991.3	14,938
Agriculture, forestry and fisheries	2	30	269	11,062	268	11,022	270.6	11,092

Source: Official website of the Bureau of National Statistics

2,518.9



The current leasing portfolio

AMOUNTED TO 2,518.9 BILLION KZT

The company is the main lessor in the agricultural sector.

In 2024, a large-scale preferential leasing program was launched for the amount of 120 billion KZT with an interest rate of 5% per annum and a term of 7 years.

In 2024, the Company leased 10,543 units of equipment for the amount of 228.5 billion KZT, where the share is:

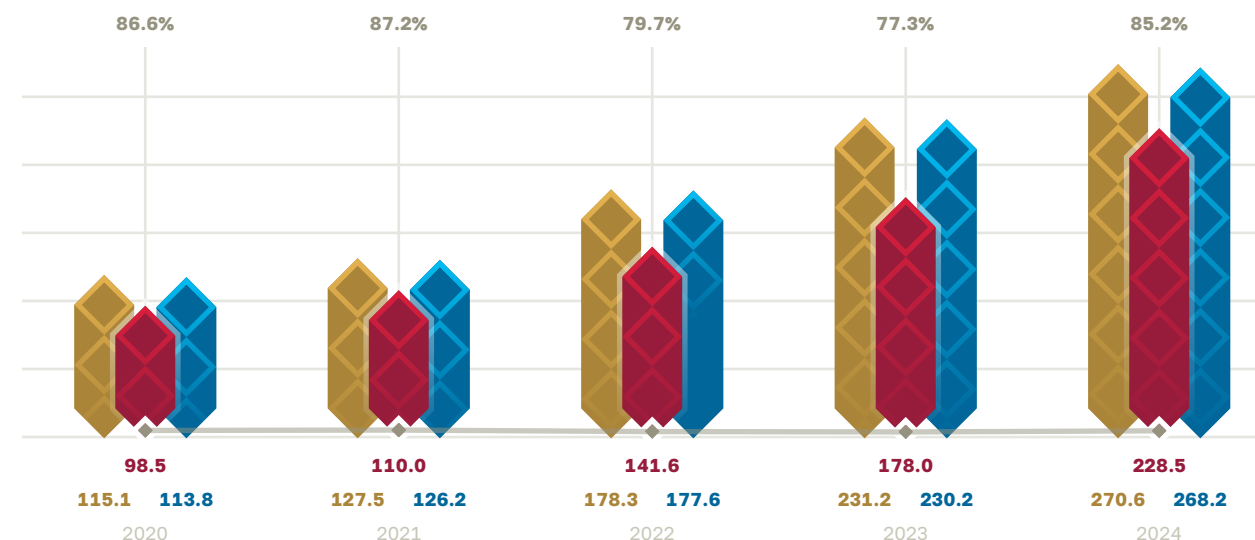
- 85.21% of the total value of contracts for leasing machinery for agriculture and forestry in Kazakhstan;

- 84.46% of the total value of contracts in the agriculture, forestry and fisheries sector.

Share of the cost of financial leasing agreements of the Company

	2023	2024
share of the total value of contracts in the country	23.52%	23.05%
share of the value of contracts in the agro-industrial complex	76.99%	84.46%
including from the cost of contracts for agricultural machinery	77.33%	85.21%

Dynamics of contract value, billion KZT



◆ RK – agriculture, forestry and fisheries

◆ Of which machines for agriculture

◆ KAF – leasing of agricultural machinery

◆ Specific weight of KAF from AIC

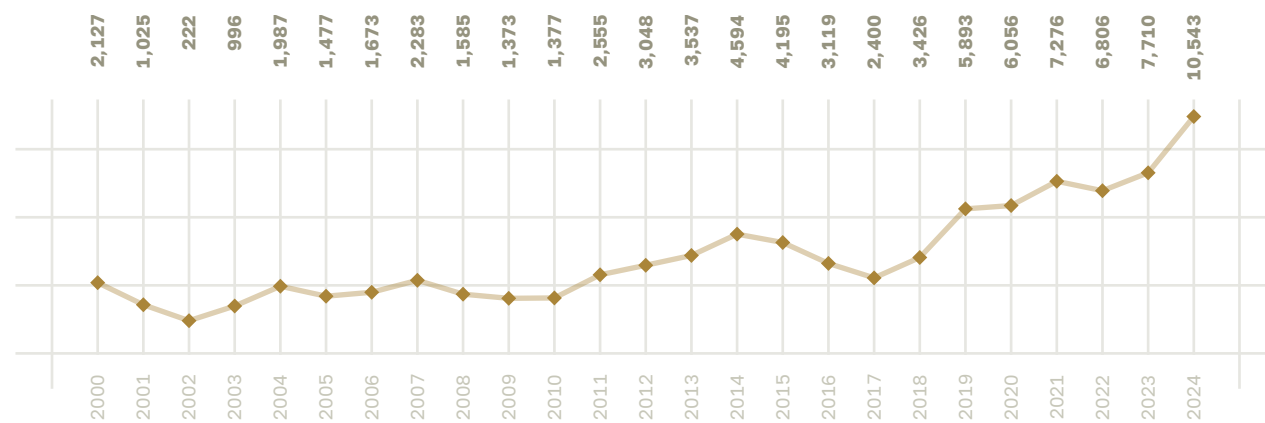
Source: Official website of the Bureau of National Statistics

Thus, for the period of activity from January 1, 2000 to December 31, 2024,

the acquisition of more than 87 thousand units of agricultural machinery and

equipment was financed for a total of 1,433.2 billion KZT.

units



057

SWOT-ANALYSIS

Strengths

1. Extensive experience in leasing and lending in the agro-industrial complex, experience of interaction with private business;
2. High competence in providing leasing services and qualified personnel;
3. Wide branch network and client base of agro-industrial complex entities;
4. Established partnerships with domestic and global manufacturers of agricultural machinery and equipment;
5. High level of corporate governance of the Company;
6. Availability of an effective comprehensive risk management system of the Company;
7. Recognisable brand for agricultural complex entities and demand for the Company in the agricultural machinery market;
8. Positive dynamics in the number of clients and a high level of trust in the Company's activities;
9. Diversified portfolio of funding sources and significant experience in attracting borrowed funds in the domestic and international markets.
10. Support for domestic manufacturers.

Weaknesses

1. Concentration of the loan portfolio in one sector of the economy;
2. Insufficient level of automation of the leasing process;
3. High degree of dependence on political decision-making and fiscal authorities;
4. Isolation from the sectoral ministry, loss of connections entails the risk of making incorrect decisions during analysis and examinations;
5. Volatility of the exchange rate, inflation, rising prices;
6. Risk of ineffective government regulation of the industry, distortions in planning, which can lead to increased costs and decreased labour productivity.

Opportunities

1. Formation of effective state support for the industry;
2. Increasing the level of state support for the agro-industrial complex, including on issues of updating the machinery and tractor fleet;
3. Possibility of increasing investments through attracted and state sources of financing.
4. Presence of a significant number of agro-industrial complex entities not covered by the Company's services;
5. Strengthening the Company's brand, positioning itself as the best partner for agro-industrial complex entities in updating the agricultural machinery and tractor fleet.
6. Improving business processes for reviewing applications, including the transition to online customer service;
7. Digitalisation of land issues, reduction of unused land (arable land), including through the use of resource-saving technologies.

Threats

1. Insufficiency of funds allocated for state subsidies for investment and/or interest rates on credit products in the agricultural sector.
2. Macroeconomic risks caused by the deterioration of the internal and external environment, import dependence, as well as the world price situation, affecting the increase in the cost of machinery and equipment;
3. Emergence of a second quasi-public sector entity in the agricultural leasing market, which creates unfair competition;
4. Risk of force majeure, climate change and other situations, restrictive measures by the state affecting the reduction of production in the agricultural sector, a decrease in demand for equipment and the fulfilment of contractual obligations by clients.
5. An increase in the cost of the leased item for imported equipment due to a depreciation of KZT currency, an increase in taxes, etc.

This SWOT analysis reflects the strengths and weaknesses, as well as existing opportunities and threats to the Company's activities.

Strengths include extensive experience in leasing and lending in the agro-industrial complex, high competence and qualified personnel, an effective risk management system, and a high level of corporate governance. Weaknesses include an increase in the cost of the leased equipment, insufficient automation of the leasing process, tenge volatility, inflation, dependence on imports, etc.

The results of the SWOT analysis show that the Company has predominantly strengths that provide opportunities for active operations and maintaining leadership positions in leasing activities.

However, global events have shown the need for constant risk monitoring, a more critical assessment of the situation, not to react to antagonistic relations and to intensify the scope of its activities, as well as to strengthen cooperation with domestic and foreign partners.

1.

2.

3.

4.

IMPLEMENTATION OF THE DEVELOP- MENT STRATEGY



The Development Strategy of KazAgroFinance for 2024–2033 (hereinafter referred to as the Development Strategy) was approved by the decision of the Board of Directors of KazAgroFinance dated 28.12.2023 No. 13, where 8 tasks are planned for implementation within

2 strategic areas and 3 goals, as well as the achievement of results for 6 strategic key performance indicators (SKPI).

The main instrument of KazAgroFinance's activity is the provision of leasing services to agricultural entities. The company constantly monitors

the implementation of goals and objectives.

Based on the results of 2024, a report was prepared on the implementation of measures to implement the Development Strategy, the SKPIs were completed in the following volume:

SKPI	Unit of measurement	Values of key indicators for 2024		
		planned	actual	% of completion
SKPI 1. Volume of agricultural machinery leasing (per year)	bln KZT	185	224.19	121.18
SKPI 2. Automation of business processes	%	100	100	100.00
SKPI 3. ROA	%	1.84	3.49	189.67
SKPI 4. Share of loan portfolio from total assets of KazAgroFinance	%	87.13	86.58	99.37
SKPI 5. NPL90+	%	9.29	7.15	129.93
SKPI 6. Repayment of principal debt on projects financed by the National Fund of the Republic of Kazakhstan	%	64	59.65	93.20
SKPI 7. Corporate governance rating	%	–	–	–

The main instrument of the Company's activity is the provision of leasing services to the subjects of the agro-

industrial complex. At the same time, the Company constantly monitors and analyses the fulfilment of set goals.

The Company steadily strives to increase the efficiency of its activities by providing affordable and high-quality services. Thus, the SKPIs are aimed at assessing the efficiency of the Company and are grouped (divided) into two areas:

- ♦ promoting the development of competitiveness of the agro-industrial complex through technical and technological equipment;
- ♦ efficiency of the Company's activities.

To implement the strategic directions, the Company has set a number of tasks and goals, the implementation of each will have a positive effect on the Company's activities.

Strategic direction 1

Promoting the development of competitiveness of the agro-industrial complex through technical and technological equipment.

As part of the implementation of the Increasing technical equipment in agriculture Goal, the Company's Development Strategy provides the following strategic KPIs:

- ♦ **SKPI 1. Volume of agricultural machinery leasing (per year)**

In 2024, the volume of investments in leasing agricultural machinery and equipment was increased. With an annual planned value of 185 billion KZT, the actual volume of investments amounted to 224.2 billion KZT (cash method), or implementation amounted to 121.18%. In 2024, the purchase of 10,543 units of agricultural machinery was financed;

- ♦ **SKPI 2. Automation of business processes**

The Work Plan for the automation of KazAgroFinance business systems for 2024 was authorised by the Board in decision No. 3 of January 29, 2024. With an annual planned value of 48 events, the actual volume of work completed was 48 events or 100%.

According to the Digitalisation Plan for 2024 (Board's decision No. 24 dated July 5, 2024), 4 events were planned, which were fully implemented, which is 100% of the plan.

Strategic direction 2

Efficiency of the company's activities

As part of the implementation of the Increasing the profitability of the Company's operations Goal, the following SKPIs were established:

- ♦ **SKPI 3. ROA**
For 2024, with the planned

annual value in the Development Strategy of 1.84%, the ROA SKPI was 3.49%, the execution is 189.67%. The ROA indicator demonstrates the efficiency of using capital involved in the Company's activities.

- ♦ **SKPI 4. Share of loan portfolio from total assets of KazAgroFinance**

With a plan for 2024 of 87.13%, the execution amounted to 86.58%, or 99.37% of the plan.

The slight deviation was influenced by the Company's faster growth in assets, which resulted in a decrease in the share of the loan portfolio. Assets grew by 23%, while the loan portfolio grew by 22%.

♦ SKPI 5. NPL90+

The NPL90+ level was 7.15%, the execution was 129.93%. The calculation was made based on the amount of the principal debt. NPL reflects the quality of the Company's loan portfolio. In order to improve the quality of the loan portfolio, the Company ensured monthly control over the execution of the payment discipline of clients, carried out work to collect overdue debt, as well as rehabilitation procedures for problem projects.

♦ SKPI 6. Repayment of the principal debt on projects financed by the National Fund of the Republic of Kazakhstan.

With an annual plan for repayment of the principal debt on projects financed by the National Fund (NF) of the Republic of Kazakhstan of 64%, the execution amounted to 59.65%, or 93.20% of the plan.

The failure to implement is due to the fact that 94.67% of the NFRK project portfolio consists of problem loans, and debt collection work requires longer periods of time.

As part of the implementation of the Corporate development of KazAgroFinance in accordance with best practices Goal

♦ SKPI 7. Corporate Management Rating

According to the Corporate Governance Rating SKPI, the planned value for 2024 was not established.

In the reporting year, the Company carried out activities aimed at improving corporate governance, risk management and internal control systems, introducing sustainable development principles into the Company's key business processes and developing corporate culture (detailed information is disclosed in the relevant sections of the Annual Report).

CONCLUSIONS ON THE RESULTS OF THE IMPLEMENTATION OF THE COMPANY'S DEVELOPMENT STRATEGY

Within the framework of the established goals, the Company has taken all necessary measures to implement the set tasks.

Due to stable operations, the Company leased 10,543 units of equipment (136.7%) in 2024 compared to 2023, concluding 8,641 transactions (139.8%).

One of the factors in the growth of labour productivity and exports in the agro-industrial complex is the use of high-

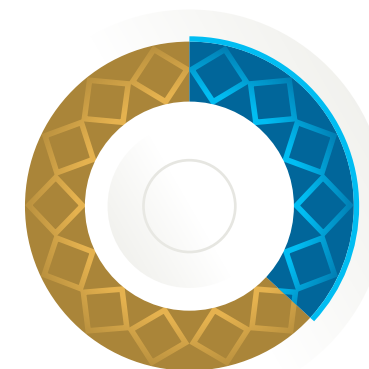
tech agricultural machinery, as well as the introduction of innovative technologies in the agricultural sector. In this regard, the Company continues to work to improve the technical equipment and modernise the agro-industrial complex by increasing investments in equipment leasing. The measures taken by the Company in 2024 to optimise and automate business processes are aimed at improving and developing leasing services with a focus on consumer demand,

which in turn influenced the increase in loyalty of existing and attraction of new customers and allowed the Company not only to increase the total number of customers, but also to fulfil the agricultural machinery financing plan.

The Company strives to improve the quality of the loan portfolio. For this purpose, measures are taken to ensure payment discipline by clients, ensure an optimal level of NPL, and collect overdue debt.

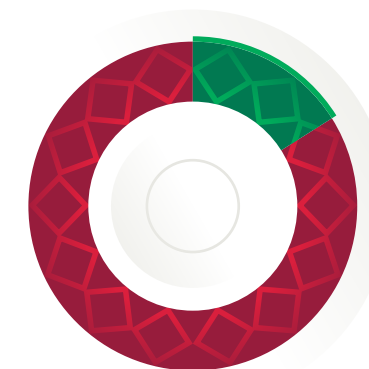
OPERATING RESULTS

**15,786 clients
financed
in 2024**



63% ... Existing clients
37% ... New clients

**1,634.0 billion KZT
invested in the AIC
from 2000 to 2024**



84% ... Extra-budgetary funds
16% ... State funds



The dynamics for 2024 compared to 2023 indicators show an increase in the number of equipment and concluded financing agreements, and the

annual growth in the number of the Company’s clients served also continues. This fact indicates that the demand for equipment continues to increase.

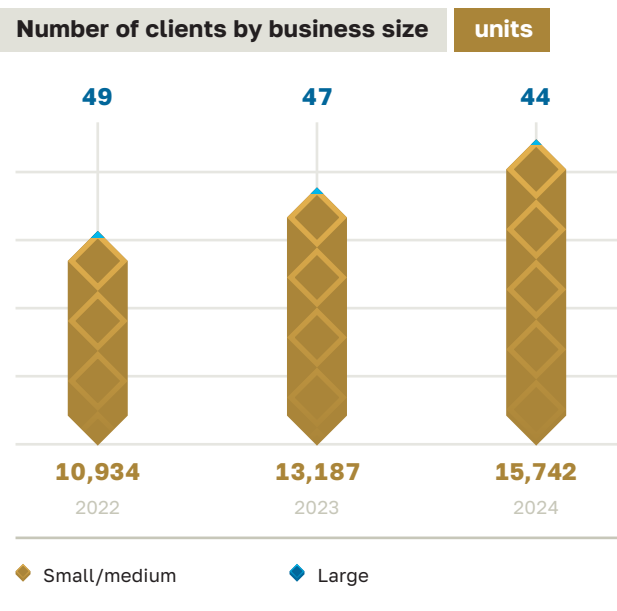
KazAgroFinance financed the acquisition of more than 87 thousand units of agricultural machinery for a total of 1,433.2 billion KZT during its operations from January 1, 2000 to December 31, 2024.

Name of equipment	2022		2023		2024		Total for 2022–2024	
	quantity	amount, mln KZT	quantity	amount, mln KZT	quantity	amount, mln KZT	quantity	amount, mln KZT
Seeding complexes	190	8,547	191	8,016	135	10,154	2303	95,030
Tractors	2 896	65,308	2,846	63,690	4,729	87,654	29326	419,821
Harvesters	507	57,375	512	55,945	924	88,257	13954	532,378
Seeders	284	9,339	172	6,478	273	5,504	3928	52,129
Other equipment	2929	32,267	3,989	43,858	4,482	36,977	37168	274,976
Equipment							604	58,897
Total	6,806	172,836	7,710	177,989	10,543	228,546	87 283	1,433,231

According to the results of 2024, the Company’s portfolio of active clients included 15,786 agricultural enterprises,

which is 19.3% more than in 2023 (13,234 agricultural enterprises). The predominant share is occupied by small and

medium businesses – 15,742 clients, which is about 99.7%.



Source: Company data

Leasing structure under Financing Programs

Program	Number of contracts	Number of equipment, units	Cost of equipment, million KZT
Leasing on market terms	2,683	3,450	66,999
Preferential leasing (5%)	3,546	4,320	120,061
Preferential leasing (6%)	257	290	16,762
Made in Kazakhstan	277	336	10,518
Zhasyl-Onim	161	176	2,756
Our Own Feed	1,717	1,971	11,450
Total	8,641	10,543	228,546

Source: Company data

The most popular programs in 2024 were Preferential Leasing and Leasing on Market Terms.

The main advantage of the Preferential Leasing program is the preferential interest rate – 5% per annum. The lessee is allowed to pay the first lease

payment (at least 10% of the value of the leased item) after the transfer of the leased item no later than December 1, 2025. The maximum financing period is no more than 7 years.

The advantages of the Leasing on Market Terms program

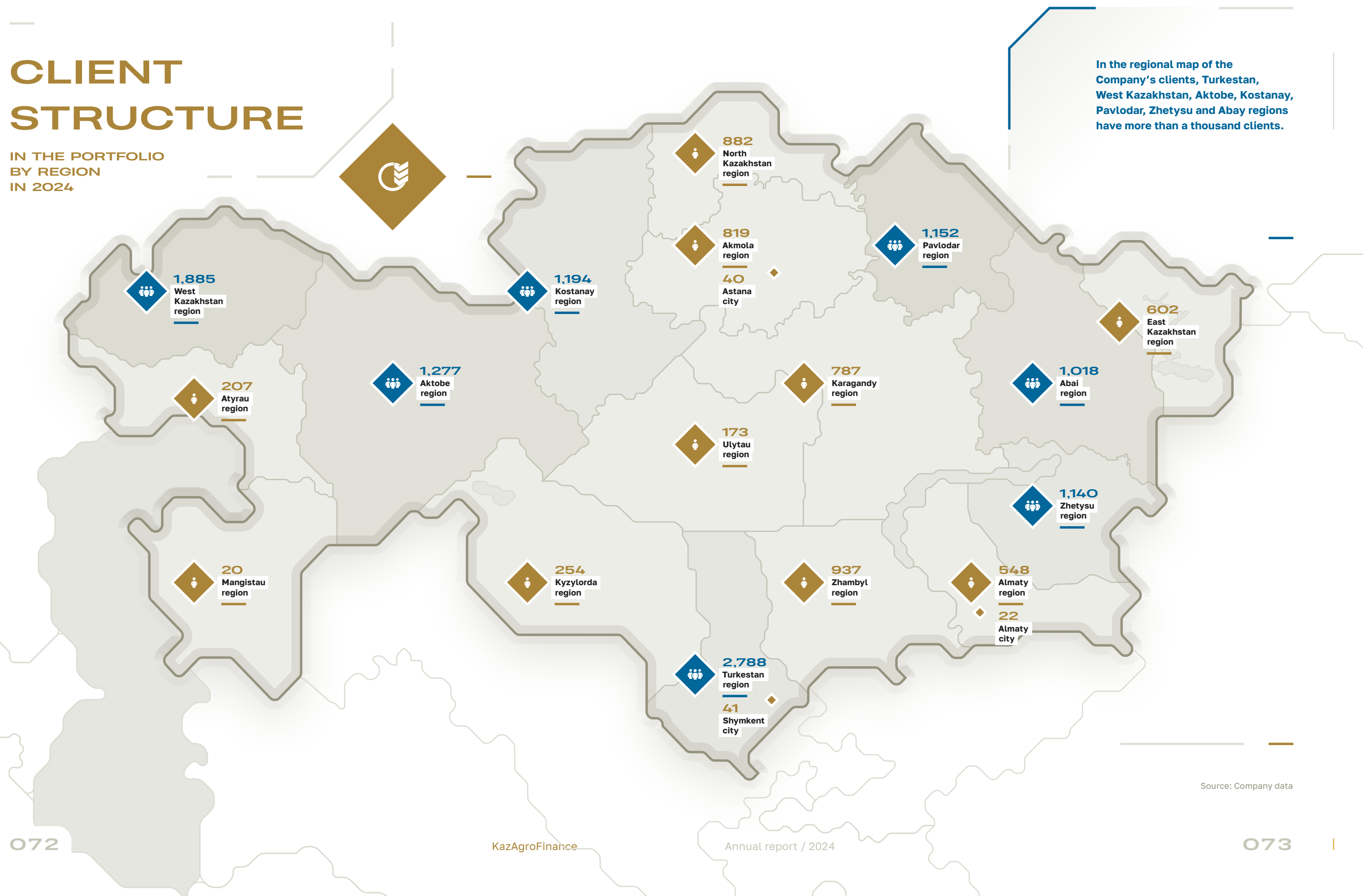
include a large selection of agricultural machinery and suppliers. The program also provides for a long term (up to 10 years) of financing and a deferment of 15% of the value of the leased item until November 10 of the year in which the financing is received.

KazAgroFinance is constantly working to develop and improve its product line.

CLIENT STRUCTURE

IN THE PORTFOLIO
BY REGION
IN 2024

In the regional map of the
Company's clients, Turkistan,
West Kazakhstan, Aktope, Kostanay,
Pavlodar, Zhetysu and Abay regions
have more than a thousand clients.



Source: Company data

FINANCIAL RESULTS

KEY FINANCIAL INDICATORS

million KZT	2024	2023
Assets		
Cash and cash equivalents	53,631	43,801
Funds in credit institutions	2,434	-
Loans to customers	7,557	8,111
Accounts receivable under finance leases	550,252	448,424
Inventories	2,985	3,043
Property, plant and equipment	862	872
Other assets	26,526	19,053
Total assets	644,247	523,303
Liabilities		
Debt to the Shareholder	12,949	17,641
Debt to NMH Baiterek JSC	13,368	12,424
Funds of credit institutions	16,184	34,081
Issued debt securities	343,171	210,268
Government subsidies	50,355	43,518
Other liabilities	15,556	19,802
Total liabilities	451,583	337,734
Equity		
ROA	3.49	3.79
ROE	10.76	11.05
Book value of one common share (in KZT)	1,869.98	1,800.48

billion KZT	2024	2023	2024 in % to 2023
Income, total	91.25	72.70	125.52%
including:			
Income in the form of remuneration	90.62	72.24	125.44%
Expenses, total	72.63	53.77	135.08%
including:			
Remuneration expenses	40.45	34.50	117.25%
Expenses for creating reserves	22.74	12.08	188.32%
CIT	- 1.72	0.0	-
Net income	20.3	18.9	107.49%

KazAgroFinance continues to demonstrate positive financial indicators, reflecting successful operational

activities in the agricultural sector, financial stability and consistent development of the Company.

KazAgroFinance will continue to work on the implementation of a customer-oriented policy, within the framework of which front office employees will be trained on an ongoing basis to improve the quality of customer service, and the quality of consultations and services will be monitored. The main goal of introducing customer-oriented standards is the desire to exceed the expectations of its clients and help them achieve success in agribusiness.

In the process of improving customer-oriented standards, the Company will apply international practice in the provision of financial services, as well as modern methods of obtaining feedback from clients on quality assessment.

The main indicator of effective capital and asset management is the positive financial result of the Company due to high-quality attraction of financial resources, maintaining an optimal level of reserves/provisions, effective management of free liquidity and financial obligations, as well as maintaining an optimal amount of administrative expenses.

The optimal level of provisions will be achieved through ongoing work with the problem portfolio and increased monitoring of the repayment of obligations by existing clients.

The Company will continue to work to improve the efficiency of liquidity management by maximising the profitability of highly liquid assets and minimising financial risks, as well as reducing operational risks when implementing treasury operations.

In order to increase financial efficiency and ensure effective attraction of funds, the Company will continue to carry out continuous and long-term work to improve the quality of the Company's loan portfolio.

The implementation of measures to improve the Company's activities through improving the quality of the loan portfolio, increasing the efficiency of using equity capital and assets will ensure the profitability and investment attractiveness of the Company's activities.

The formation and organisation of a risk management and internal control system will ensure the Company effectively achieves strategic and operational goals by building a system capable of quickly responding to risks, exercising control over the main and auxiliary business processes, and the Company's daily operations.

An important goal of the Company remains corporate development, which consists

of developing the corporate governance system, risk management and internal control systems, as well as developing human resources.

The development of the system of annual assessment of the activities of the Board of Directors and its committees will continue, followed by the adoption of necessary corrective measures. The level of corporate governance will be assessed on a regular basis for compliance with the requirements of legislation, internal documents and international corporate governance practice, with the assignment of appropriate ratings. Based on the results obtained, the main areas for further improvement of corporate governance and the adoption of necessary measures will be determined.

In order to support the efficiency of business management by the Company, the development of a corporate risk culture, work will continue to be carried out to improve the corporate risk management system.

The Company will work to strengthen the role of risk management in all areas of activity by strengthening the organisational and analytical functions of the risk management unit, as well

as increasing the role and responsibility of structural units for risk management within the framework of their processes, functionality and competencies.

The Company will continue to work on building an internal control system that helps to obtain guarantees of the integrity of financial and non-financial indicators, achieve the Company's goals, and implement policies and procedures in all aspects of its activities.

The Company's tasks to implement sustainable development principles will remain one of the key tasks in the development perspective.

Increasing the potential of human resources, developing a corporate culture focused on results will also be one of the key tasks of the Company.

Implementation of an effective HR policy will allow the Company to retain and attract highly qualified personnel capable of making a significant contribution to development and growth of efficiency, as well as to obtain the maximum possible return on investment in human resources.

Taking into account strategic objectives, the Company will completely switch to an electronic system for accepting

and tracking applications in the medium term. This system will allow clients to submit online applications for financing, which will increase the availability of the Company's services for clients and will allow tracking the status of the application from registration to the decision on it.

Taking into account modern trends and the rapid development of automation systems, in 2023 the Company developed the KazAgroFinance Development Strategy for 2024–2033 with a focus on technical automation of a number of modules:

- ♦ creation of a mobile application and personal account for subjects of the agro-industrial complex;
- ♦ provision of a full range of leasing services in an automated mode;
- ♦ automation of the processes of review, decision-making and signing of financing agreements;
- ♦ integration with government databases;
- ♦ creation of an analytical platform for forecasting customer needs.

These activities are directly consistent with the instructions of the Head of State regarding the development of automation and digital transformation.

The implementation of the above tasks will not only

reduce labour costs but also promote the improvement and development of services with a focus on consumer demand to increase the satisfaction of existing and attract new clients of the Company.

The introduction of conceptually new principles, approaches and procedures, as well as transparent and understandable mechanisms for the provision of services will have a positive impact on the level of trust on the part of external and internal target audiences and will affect the profitability, share value and image of the Company.

Taken together, these activities will allow the Company to maintain its position in the agro-industrial complex leasing market.

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External Audit

The Company views corporate governance as a means of improving operational efficiency,

ensuring transparency and accountability, strengthening its reputation and reducing its costs of raising capital.

The Company's corporate governance is built on the principles of fairness, honesty, responsibility, transparency, professionalism and competence.

COMPONENTS OF THE CORPORATE GOVERNANCE SYSTEM:

1

HONESTY

The Company protects the rights of the Sole Shareholder and takes effective measures in the event of violations of his/her rights;

2

ACCOUNTABILITY

The Company ensures the accountability of the executive body of the Company to the Board of Directors and the accountability of the Board of Directors to the Sole Shareholder

3

RESPONSIBILITY

The Company ensures recognition of the legal rights of the Sole Shareholder, encourages cooperation between the Company and the Sole Shareholder in matters of financial well-being and sustainability of the Company

4

TRANSPARENCY

The Company ensures timely and reliable disclosure of information on all material issues that may affect the decisions of stakeholders

The Company has formed and operates a well-established corporate governance system, developed and approved the necessary internal regulatory documents governing the activities of the Company and its bodies, and has an effective internal audit service that carries out assessments in the field of internal control, risk management and corporate governance. The management processes and procedures in the Company are structured in such a way as to ensure compliance with legislation, internal regulatory documents and create optimal conditions for making far-sighted and responsible decisions.

The highest body of KazAgroFinance is the Sole Shareholder, the management body is the Board of Directors, the executive body is the Management Board.

ORGANISATIONAL STRUCTURE OF MANAGEMENT

Sole shareholder –
JSC Agrarian Credit
Corporation



The Board of Directors of the Company has created committees whose competence includes consideration of issues related to audit, risks, strategic planning, corporate development, personnel, remuneration and social issues. Committees under the

Board have been created to prepare advisory decisions for the Management Board on individual areas of the Company's activities, including the preparation and preliminary consideration of issues within the competence of the Management Board.

Interaction with the Sole Shareholder is carried out in accordance with the legislation of the Republic of Kazakhstan, the Charter of KazAgroFinance, which establishes the exclusive competence of the Sole Shareholder, and the Corporate Governance Code of the Company.

CORPORATE GOVERNANCE RATING

Improving the corporate governance system and increasing the level of transparency are among the key objectives of KazAgroFinance in achieving the goal of corporate development in accordance with the best practices of corporate governance.

For the purpose of high-quality monitoring of the corporate governance system, the corporate governance rating is included as one of the key performance indicators of the Company's Development Strategy. An internal assessment of the effectiveness of the corporate governance system is carried out by the Company's internal audit service at least once every two

years in accordance with the Company's internal regulatory documents.

Continuous improvement of corporate governance and decision-making systems is an important strategic direction for the Company's development, ensuring its effectiveness and efficiency. In order to further develop the corporate governance system of KazAgroFinance, by decision of the Board of Directors of the Company dated March 15, 2024, No. 3, the Action Plan for Improving the Corporate Governance System of KazAgroFinance for 2024-2026 was approved. The report on the implementation of the Action Plan for Improving

the Corporate Governance System is reviewed annually by the Board of Directors of the Company.

Also, the decision of the Board of Directors approved the results of the assessment of the activities of the Board of Directors of the Company and its committees for 2024. Based on the results of the assessment, the work of the Board of Directors and its Committees is assessed positively and is recognised as effective.

The Company continues to work to improve the level of corporate governance by bringing the management system into line with the standards of best corporate governance practices.

REPORT ON COMPLIANCE WITH THE PRINCIPLES

AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE

The Company is guided in its activities by the Corporate Governance Code, which provides for respect for the rights and interests of all stakeholders for the successful operation of the Company, including the growth of its value, maintaining financial stability and profitability.

The fundamental principles of the Corporate Governance Code are:

1. principle of delimitation of powers;
2. principle of protection of the rights and interests of the Sole Shareholder;
3. principle of effective management of the Company by the Board of Directors and the Management Board;
4. principle of sustainable development;
5. principle of risk management, internal control and internal audit;
6. principle of regulation of corporate conflicts and conflicts of interest;

7. principles of transparency and objectivity of disclosure of information on the Company's activities.

The Company annually prepares a report on the implementation of the principles and provisions of the Corporate Governance Code, considered at a meeting of the Board of Directors.

The Report on Compliance/ Non-Compliance with the Principles and Provisions of the Corporate Governance Code of KazAgroFinance for 2024 was approved by the Resolution of the Board dated April 30, 2025 No. 3.

An analysis of the Company's compliance with the principles and provisions of the Corporate Governance Code for 2024 showed that KazAgroFinance complies with all the principles and provisions of the Corporate Governance Code, except for 1 provision, which is partially complied with.

A short version of the Report on Compliance/ Non-Compliance with the Principles and Provisions of the Corporate Governance Code of KazAgroFinance for 2024 is provided in the Appendix to the Annual Report (the full version is posted on the Company's corporate Internet resource www.kaf.kz).

INFORMATION ON SECURITIES

AND COMPOSITION OF PARTICIPANTS

The Board of Directors of National Management Holding Baiterek JSC dated July 15, 2022 No. 05/22 adopted a decision on the alienation of 100% of the ordinary shares of KazAgroFinance owned by National Management Holding Baiterek JSC in payment for the placed ordinary shares of Agrarian Credit Corporation JSC, by exercising by National Management Holding Baiterek JSC, as the Sole Shareholder of Agrarian Credit Corporation JSC, its pre-emptive right to purchase shares of Agrarian Credit Corporation JSC.

Payment for the placed shares was made by transferring 100% of the ordinary shares of KazAgroFinance owned by National Management Holding Baiterek JSC on July 25, 2022.

The number of declared and issued common shares of the Company as of December 31, 2024 is 102,837,204 common shares, the change in the number of common shares of the Company was caused by the decision of the Board of Directors on May 2, 2023 No. 4 On increasing the number of declared shares of KazAgroFinance.

The Regulation on the dividend policy of the Company governs the rights

of the Sole Shareholder associated with participation in the management of KazAgroFinance, including the rights to receive dividends and participation in the distribution of net income. Pursuant to the decision of the Board of Directors of Agrarian Credit Corporation JSC dated May 24, 2024 No. 8, on June 18, 2024, dividends were paid for 2023 in the amount of 13.2 billion KZT in favour of Agrarian Credit Corporation JSC, which is 70% of the Company's net income.



KEY DECISIONS OF THE SOLE SHAREHOLDER

IN 2024

**Approval of the annual
financial statements**

**Determination of
the quantitative
composition, term
of office, election
of members of the
Board of Directors of
KazAgroFinance and
determination of the
amount and conditions
for payment of
remuneration to
independent directors**

**Determination of the
audit organisation
that will audit the
financial statements
of KazAgroFinance for
2024–2026**

**Amendments to
the Charter of
KazAgroFinance**

**Approval of the
Annual Report of
KazAgroFinance**

BOARD OF DIRECTORS

The Board of Directors is a management body that carries out general management of the Company's activities, with the exception of decisions on issues that are referred by legislation and (or) the Company's Charter to the exclusive competence of the Sole Shareholder and the Management Board.

The Board of Directors carries out its functions in accordance with the Company's Charter and pays special attention to the following issues:

- ♦ defining the Company's development strategy (directions and results);
- ♦ setting and monitoring the development plan;
- ♦ organising and supervising the effective functioning of risk management, internal control and corporate governance systems;
- ♦ approving and monitoring the effective implementation of key strategic projects within the competence of the Board of Directors;
- ♦ electing, remunerating, planning succession and supervising the activities of the Management Board;
- ♦ ensuring compliance with the Company's Corporate Governance Code and internal documents on business ethics.

The composition of the Board of Directors is balanced, including in terms of the qualifications of its members, their experience, knowledge and business qualities, and is trusted by the Sole Shareholder.

The members of the Board of Directors have an impeccable business reputation, knowledge, skills and experience in the field of agriculture, economics and business management, as well as jurisprudence.

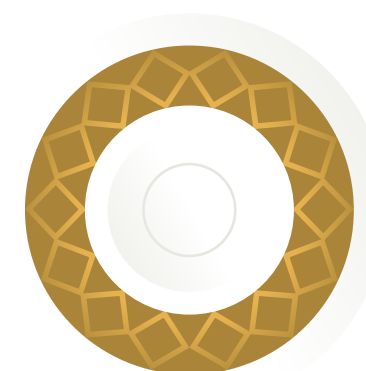
As of December 31, 2024, the Board of Directors included 6 people, of which 2 members of the Board of Directors are independent directors.

The Chairman of the Board of Directors of KazAgroFinance is a representative of NMH Baiterek JSC Nurbolat Aidapkelov.

The term of office of the presented composition of the Board of Directors expires on October 1, 2027.

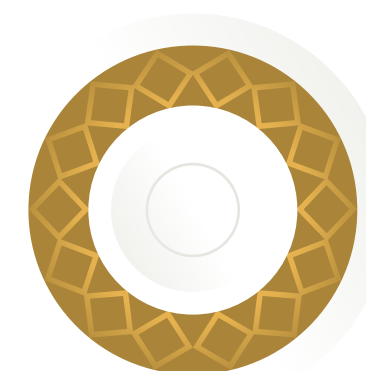
Composition of the Board of Directors as of December 31, 2024	Date and number of the decision on election to the Board of Directors
Nurbolat Aidapkelov Chairman of the Board of Directors, First Deputy Chairman of the Management Board of NMH Baiterek JSC	Resolution of the Sole Shareholder dated October 1, 2024 No. 17
Niyaz Koshkimbayev Member of the Board of Directors, Managing Director of NMH Baiterek JSC	Resolution of the Sole Shareholder dated October 1, 2024 No. 17
Kairat Sapulatov Member of the Board of Directors, Deputy Chairman of the Management Board of Agrarian Credit Corporation JSC	Resolution of the Sole Shareholder dated October 1, 2024 No. 17
Thomas Dorenwendt Member of the Board of Directors – Independent Director	Resolution of the Sole Shareholder dated October 1, 2024 No. 17
Rustam Abdussalamov Member of the Board of Directors – Independent Director	Resolution of the Sole Shareholder dated October 1, 2024 No. 17
Aydar Prashev Member of the Board of Directors – Chairman of the Management Board of KazAgroFinance	Resolution of the Sole Shareholder dated October 1, 2024 No. 17

Age structure of the Board of Directors, %



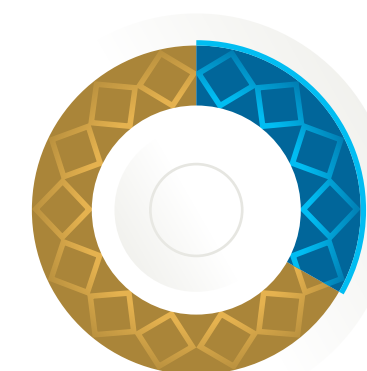
100% . ♦ Over 40 years
0% ... ♦ Up to 40 years

Gender structure of the Board of Directors, %



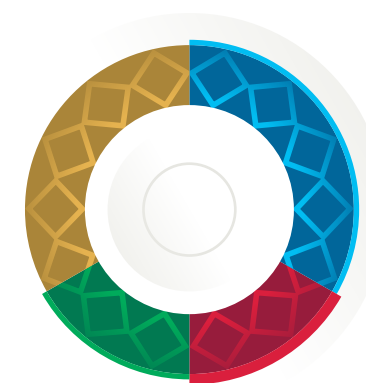
100% . ♦ Male
0% ... ♦ Female

Term of serve on the Board of Directors of the Company, %



66.7% . ♦ Up to five years
33.3% . ♦ Up to one year

Structure of the Board of Directors by categories, %



33% ... ♦ Representative of NMH Baiterek JSC
33% ... ♦ Independent directors
17% ... ♦ Representative of the executive body
17% ... ♦ Representative of the shareholder

Changes in the composition of the Board of Directors for 2024

- ♦ On August 16, 2024, the term of office of the Company's Board of Directors, determined by the decision of the Sole Shareholder dated June 16, 2021 No. 30/21 (as amended on June 20, 2024 No. 10), expired.

- ♦ By the decision of the Sole Shareholder dated October 1, 2024, No. 17, the quantitative composition of the Board of Directors of the Company, the term of office were determined, members of the Board of Directors of KazAgroFinance were elected, and the amounts and conditions for payment of remuneration to independent directors were determined.

COMPOSITION OF THE BOARD OF DIRECTORS

**NURBOLAT
AIDAPKELOV**

**Chairman of the Board
of Directors – representative
of NMH Baiterek JSC**

Born on July 22, 1979,
citizen of the Republic
of Kazakhstan.

Education:

- ♦ Kazakh State Academy of Management, majoring in Accounting and Auditing.
- ♦ Kazakh Humanitarian and Law University, majoring in Jurisprudence, awarded the qualification of lawyer (Republic of Kazakhstan).

Employment history:

- ♦ **Since 2022** – First Deputy Chairman of the Board of National Management Holding Baiterek JSC.
- ♦ **2020–2022** – Head of the Bureau of National Statistics of the Agency for Strategic

Planning and Reforms of the
Republic of Kazakhstan

- ♦ **2016–2020** – Chairman of the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan.

Other positions held:

- ♦ First Deputy Chairman of the Board of the National Management Holding Baiterek Joint-Stock Company.
- ♦ Chairman of the Board of Directors of Agrarian Credit Corporation JSC.
- ♦ Member of the Board of Directors of Development Bank of Kazakhstan JSC.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance.

**NIYAZ
KOSHKIMBAYEV**

**Member of the Board
of Directors – representative
of NMH Baiterek JSC**

Born on September 5, 1979,
citizen of the Republic
of Kazakhstan.

Education:

- ♦ Karaganda State Technical University, majoring in Electricity Supply and Electrification.
- ♦ Karaganda State Technical University, majoring in Economics (in the social sphere and industries).

Employment history:

- ♦ **02.2005–03.2009** – work in government agencies and the quasi-public sector.
- ♦ **10.2009–11.2010** – Acting Advisor, Advisor to the Chairman of the Agency of the Republic of Kazakhstan on Statistics.

- ♦ **11.2010–10.2014** – Deputy Director, Director of the Department of Finance and Documentation Support of the Agency of the Republic of Kazakhstan on Statistics.

- ♦ **11.2017–10.2020** – Deputy Chairman of the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan.

- ♦ **10.2020–06.2022** – Deputy Head of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan.

- ♦ **06.2022 – present** – Managing Director of National Managing Holding Baiterek JSC.

Other positions held:

- ♦ Managing Director of NMH Baiterek JSC. Member of the Board of Directors of Agrarian Credit Corporation JSC.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance.

COMPOSITION OF THE BOARD OF DIRECTORS

**KAIRAT
SAPULATOV**

**Member of the Board
of Directors – representative
of the Sole Shareholder
of KazAgroFinance**

Born on August 12, 1984,
citizen of the Republic
of Kazakhstan.

Education:

- ♦ North Kazakhstan State University named after M. Kozybayev, Petropavlovsk, majoring in Finance and Credit (diploma with honors).

Employment history:

- ♦ **2009–2018** – held various management positions in the structure of National Management Holding KazAgro JSC.
- ♦ **2018–2019** – Chairman of the Management Board of KazAgroProduct JSC.
- ♦ **2019–2020** – Executive Director of Kazakhstan Centre for Public-Private Partnership JSC.

- ♦ **2020–2021** – Managing Director – Member of the Management Board of Kazakhstan Centre for Public-Private Partnership JSC.
- ♦ **Currently** holds the position of Deputy Chairman of the Board of Agrarian Credit Corporation JSC, member of the Board.

Other positions held:

- ♦ Deputy Chairman of the Board of Agrarian Credit Corporation JSC, member of the Board.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance.

**AYDAR
PRASHEV**

**Member of the Board
of Directors – Chairman
of the Management Board
of KazAgroFinance**

Born on September 29, 1983,
citizen of the Republic
of Kazakhstan.

Education:

- ♦ Academy of Economics and Statistics of Almaty, majoring in Human Resources Management, Economist.
- ♦ Aktobe Regional State University named after K. Zhubanov, majoring in Management, Master of Economics and Business.

Employment history:

- ♦ **01.2006–02.2007** – Customs Control Inspector of the Department of Customs Control for Aktobe Region of the Customs Control Committee State Institution of the Ministry of Finance of the Republic of Kazakhstan.

- ♦ **02.2007–12.2008** – worked in the banking system of Kazkommertsbank JSC.
- ♦ **2009–2019** – worked in the branches of KazAgroFinance in the positions of branch director for Atyrau region, Aktobe region and Kostanay region.
- ♦ **12.2020–06.2021** – Managing Director – Member of the Management Board of KazAgroFinance.
- ♦ **06.2021 – present** – Chairman of the Management Board of KazAgroFinance.

Other positions held:

- ♦ Chairman of the Management Board of KazAgroFinance.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance.

COMPOSITION OF THE BOARD OF DIRECTORS

**RUSTAM
ABDUSSALAMOV**

**Member of the Board
of Directors – Independent
Director of KazAgroFinance**

Born on March 01, 1983,
citizen of the Republic
of Kazakhstan.

Education:

- ♦ **2004** – KIMEP. Bachelor's degree, Public Administration and Management.
- ♦ **2005** – KIMEP. Master of Public Administration.
- ♦ **2007** – KAZGUU. Master of Economics and Production Management.
- ♦ **2020** – NARXOZ. Doctor of Business Administration.

Employment history:

- ♦ **2005-2013** – work in commercial and quasi-governmental structures.
- ♦ **10.2013-05.2014** – Atameken National Chamber of Entrepreneurs, Director of

the International Cooperation Department.

- ♦ **07.2014-01.2016** – BRK-Leasing JSC (now the Industrial Development Fund), Member of the Management Board – Managing Director.
- ♦ **07.2018-06.2019** – National Centre for Expertise of Medicines, Medical Devices and Medical Equipment RSE on the Right of Economic Management of the Ministry of Health of the Republic of Kazakhstan, Development Director.
- ♦ **2019 – present** – entrepreneurial activity in several areas: project management, production of textile and jewellery products, restaurant business, trading,

business coach, consulting in the field of business creation and development, mentoring.

Other positions held – none.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance.

**THOMAS
DORENWENDT**

**Member of the Board
of Directors – Independent
Director of KazAgroFinance**

Born June 30, 1968,
citizen of the Federal
Republic of Germany.

Education:

- ♦ **1994** – University of Hamburg. Political Science.

Employment history:

- ♦ **2008-2011** – Blue Wings. Chairman of the Board of Directors.
- ♦ **2014-2018** – Agrotterra. Chief Operating Officer.
- ♦ **2018-2020** – Agrotterra. Director of Seed Production and Business Development.
- ♦ **2020-2022** – Digital Agro LLC (LLC). Deputy General Director.
- ♦ **2022 – present** – Grain Consortium of Kazakhstan. Deputy General Director.

Other positions held:

- ♦ Grain Consortium of Kazakhstan. Deputy General Director.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance.

Information on the participation of members of the Board of Directors in meetings of the Board of Directors and its committees

Full name	Board of Directors Meetings	Meetings of the Committee on Strategic Planning and Corporate Development	Audit and Risk Committee Meetings	Meetings of the Committee on Personnel, Remuneration and Social Issues
N. Aidapkelov	14/14	–	–	–
N. Koshkimbayev	14/14	–	–	–
K. Sapulatov	14/14	–	–	–
A. Prashev	14/14	–	–	–
R. Orazbayev	8/9*	9/9	8/8	6/6
N. Alimukhambetov	8/9*	9/9	8/8	6/6
T. Dorenwendt	5/5	4/4	4/4	4/4
R. Abdussalamov	5/5	4/4	4/4	4/4

* (annual leave)

COMMITTEES OF THE BOARD OF DIRECTORS

The committees are advisory bodies of the Board of Directors.

The committees are created to conduct a detailed analysis and develop recommendations on a range of the most important issues before they are considered at a meeting of the Board of Directors. The final decision on the issues considered by the committees is made by the Board of Directors.

The following Committees of the Board of Directors have been created and operate under the Board of Directors of the Company:

- ♦ Audit and Risk Committee;
- ♦ Strategic Planning and Corporate Development Committee;
- ♦ Human Resources, Remuneration and Social Issues Committee.

In accordance with generally accepted principles of corporate governance, the Committees of the Board of Directors are headed by members of the Board of Directors from among independent directors.

The activities of the committees are regulated by internal documents approved by the

Board of Directors, containing provisions on the composition, competence, procedure for electing committee members, the procedure for the work of the committees, as well as the rights and obligations of their members.

Work of the Board of Directors Committees for 2024



Audit and Risk Committee of the Board of Directors

The main functions of the Audit and Risk Committee include issues of internal and external audit, financial reporting, internal control and risk management, compliance with the legislation of the Republic of Kazakhstan, internal documents and other issues.

Composition of the Audit and Risk Committee:

- ♦ **Chairman of the Committee** – Nurzhan Alimukhambetov (until 16.08.2024);
- ♦ **Chairman of the Committee** – Thomas Dohrenwendt (from 07.10.2024);
- ♦ **member of the Committee** – Ruslan Orazbayev (until 16.08.2024);
- ♦ **member of the Committee** – Rustam Abdussalamov (from 07.10.2024).

In total, the Audit and Risk Committee held 12 meetings in 2024 and considered 75 issues.

The following main issues were considered at the Audit and Risk Committee meetings:

- ♦ on review of the Audit of the management process and personnel assessment audit report.
- ♦ on the approval of qualification requirements and technical specifications for the procurement of services for the audit of financial statements for 2024-2026.
- ♦ on review of the Monitoring the limits of certain types of administrative expenses of the Company audit report.
- ♦ on review of the Audit of the process of supply and transfer of leased items audit report.
- ♦ on review of the report on the work of the KazAgroFinance Ombudsman for 2023.

- ♦ on preliminary consideration of the issue On approval of the Action Plan for the Implementation of the KazAgroFinance Information Security Development Strategy for 2024".
- ♦ on review of reports on the activities of the Internal Audit Service.
- ♦ on review of reports of the Anti-Corruption Compliance Service.
- ♦ on review of the Audit of credit and leasing activities (in the Central Office of the Company and Astana) audit report.
- ♦ on review of the Audit of the process of working with problem debt of KazAgroFinance audit report.
- ♦ on review of the Audit of the main activities of the branch in the Karaganda region audit report.
- ♦ on preliminary consideration of the issue On preliminary

approval of the audited annual financial statements of KazAgroFinance for 2023, making proposals to the Sole Shareholder on the distribution of net income received based on the results of 2023, payment of dividends on ordinary shares and approval of the amount of dividend per ordinary share based on the results of 2023, consideration of information on the Sole Shareholder's appeals on the actions of KazAgroFinance and its officials, the amount and composition of remuneration of the members of the Board of Directors and the Management Board of KazAgroFinance.

- ♦ on preliminary consideration of the issue On submitting for consideration by the Sole Shareholder of KazAgroFinance the issue On determining the audit organisation that will audit KazAgroFinance for 2024-2026.
- ♦ on preliminary consideration of issues related to KazAgroFinance concluding transactions in which there is an interest.
- ♦ on consideration of the Assessment of the fulfilment of key performance indicators of the members of the Management Board audit report.
- ♦ on consideration of the Audit of the process of monitoring the availability and condition of leased items and collateral audit report.

- ♦ on consideration of consulting reports of the Internal Audit Service.
- ♦ on preliminary consideration of issues On approval of KazAgroFinance risk reports, Risk Map and Risk Register of KazAgroFinance.
- ♦ on preliminary consideration of the issue On approval of Key risk indicators and Risk appetite of KazAgroFinance for 2025.
- ♦ on preliminary consideration of the issue On approval of the Matrix of business processes, risks and controls of KazAgroFinance in a new edition.
- ♦ on preliminary consideration of the issue On amending the Corrective and/or Preventive Action Plan proposed by the audit object based on the results of the audit Audit of Information Technology and Information Security Systems of KazAgroFinance.
- ♦ on consideration of the Map of Audit Areas of KazAgroFinance and the Annual Audit Plan of the Internal Audit Service of KazAgroFinance for 2025.
- ♦ on consideration of the Audit of the main activities of the branch in the West Kazakhstan region audit report.
- ♦ on preliminary consideration of the issue On approval of the Work Plan of the Anti-Corruption Compliance Service of KazAgroFinance for 2025.
- ♦ on approval of the Work Plan of the Audit and Risk

Committee of the Board of Directors of KazAgroFinance for 2025.

- ♦ on consideration of analytical information regarding price analysis when purchasing leased items in KazAgroFinance.
- ♦ on consideration of information on process automation to minimise operational risks in the form of the human factor.
- ♦ on the preliminary consideration of the issue On approval of the KazAgroFinance Digitalisation Strategy for 2024-2026.
- ♦ on consideration of the plans of the audit organisation KPMG Audit LLP in terms of conducting an audit of the financial statements of KazAgroFinance for 2024.

Board of Directors Committee on Strategic Planning and Corporate Development

The main functions of the Strategic Planning and Corporate Development Committee are to develop and submit to the Board of Directors of the Company recommendations on issues of developing priority areas of activity for KazAgroFinance and its development strategy, including issues on developing measures to improve the efficiency of the Company, its profitable operations and sustainable development.

Composition of the Strategic Planning and Corporate Development Committee:

- ♦ **Chairman of the Committee** – Ruslan Orazbayev (until 16.08.2024);
- ♦ **Chairman of the Committee** – Rustam Abdussalamov (from 07.10.2024);
- ♦ **Member of the Committee** – Nurzhan Alimukhambetov (until 16.08.2024);
- ♦ **Member of the Committee** – Thomas Dorenwendt (from 07.10.2024)

In total, in 2024, the Strategic Planning and Corporate Development Committee held 13 meetings and considered 30 issues.

The following key issues were considered at the meetings of the Strategic Planning and Corporate Development Committee:

- ♦ on preliminary consideration of the issue On approval of the report on the implementation of the Action Plan for improving the corporate governance system of KazAgroFinance for 2022-2023 for 2023.
- ♦ on preliminary consideration of the issue On approval of the report on the results of the diagnostics of corporate governance of KazAgroFinance based on the results of an independent assessment as of November 20, 2023.
- ♦ on consideration of analytical information on the

management of temporarily free cash of KazAgroFinance.

- ♦ on preliminary consideration of the issue On approval of the report on compliance/non-compliance with the principles and provisions of the Corporate Governance Code of KazAgroFinance for 2023.
- ♦ on preliminary consideration of the issue On the issue and determination of the terms of the issue of bonds.
- ♦ on preliminary consideration of the issue On submitting for consideration by the Sole Shareholder of KazAgroFinance the issue On amending the Charter of KazAgroFinance.
- ♦ on preliminary consideration of the issue On increasing the liabilities of KazAgroFinance by an amount equal to ten percent or more of the equity capital of KazAgroFinance.
- ♦ on preliminary consideration of the issue On amending the General Terms of Financing of KazAgroFinance.
- ♦ on preliminary consideration of the issue On approving the Action Plan to improve the corporate governance system of KazAgroFinance for 2024-2026.
- ♦ on consideration of the Report on the implementation of the Development Plan of KazAgroFinance for 2024-2028 for the 1st quarter of 2024.
- ♦ on preliminary consideration of the issue On amending the General Terms of Financing of KazAgroFinance.
- ♦ on preliminary consideration of the issue On approving the

Report on the implementation of the adjusted Development Plan of KazAgroFinance for 2019-2023 for 2023.

- ♦ on preliminary consideration of the issue On submitting for consideration by the Sole Shareholder of KazAgroFinance the issue On approval of the Annual Report of KazAgroFinance for 2023.
- ♦ on preliminary consideration of the issue On approval of the adjusted Development Plan of KazAgroFinance for 2024-2028.
- ♦ on preliminary consideration of the issue On amendments and additions to the Development Strategy of KazAgroFinance for 2024-2023.
- ♦ on preliminary consideration of the issue On amendments and additions to the General Terms of Financing of KazAgroFinance.
- ♦ on consideration of the report on the implementation of the adjusted Development Plan of KazAgroFinance for 2024-2028 for the 1st half of 2024.
- ♦ on approval of the Work Plan of the Strategic Planning and Corporate Development Committee of the Board of Directors of KazAgroFinance for 2025.

Committee of the Board of Directors on Personnel, Remuneration and Social Issues

The main functions of the Committee include matters of

appointment (election), setting motivational KPIs, performance assessment, remuneration and succession planning of the Chairman and members of the Management Board, matters of appointment and remuneration of the Corporate Secretary, as well as participation in the consideration of the said matters in relation to the composition of the Board of Directors itself, in cases where such powers are granted by the Sole Shareholder.

Composition of the Committee on Personnel, Remuneration and Social Issues:

- ♦ **chairman of the Committee** – Nurzhan Alimukhambetov (until 16.08.2024);
- ♦ **chairman of the Committee** – Thomas Dorenwendt (from 07.10.2024);
- ♦ **member of the Committee** – Ruslan Orzabayev (until 16.08.2024);
- ♦ **member of the Committee** – Rustam Abdussalamov (from 07.10.2024).

SELECTION AND APPOINTMENT

The number of members of the Board of Directors is determined by the Sole Shareholder.

The Sole Shareholder shall elect members of the Board of Directors of KazAgroFinance in the manner determined by

In total, in 2024, the Personnel, Remuneration and Social Issues Committee held 10 meetings and considered 22 issues.

The following main issues were considered at the meetings of the Personnel, Remuneration and Social Issues Committee:

- ♦ on preliminary consideration of the issue On approval of reports on the work of the Board of Directors, committees of the Board of Directors and the Corporate Secretary of KazAgroFinance.
- ♦ on consideration of the report on the work of the ombudsman of KazAgroFinance for 2023.
- ♦ on preliminary consideration of the issue On approval of the results of the performance assessment of the Board of Directors of KazAgroFinance and its committees for 2023.
- ♦ on preliminary consideration of the issue

the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company, taking into account the competencies, skills, achievements, business reputation and professional experience of candidates.

On amendments and additions to certain internal regulatory documents of KazAgroFinance on HR activities.

- ♦ on preliminary consideration of the issue On approval of the Key Performance Indicator Maps of KazAgroFinance executives and their target values for 2025.
- ♦ meeting with members of the Personnel Reserve of KazAgroFinance.
- ♦ on preliminary consideration of the issue On approval of the Work Plan of the Board of Directors of KazAgroFinance for 2025 and conducting an assessment of the activities of the Board of Directors of KazAgroFinance and its committees based on the results of 2024.
- ♦ on approval of the Work Plan of the Committee on Personnel, Remuneration and Social Issues of the Board of Directors of KazAgroFinance for 2025.

When re-electing individual members of the Board of Directors or its entire composition for a new term, the results of the performance assessment of the members of the Board of Directors of the Company are taken into account.

When selecting candidates for the Board of Directors, the following are taken into account:

1. experience in management positions;
2. experience as a member of the board of directors;
3. length of service;
4. education, specialty, including international certificates;
5. competencies/management experience of at least 2 (two) years in areas and industries (industries may vary depending on the asset portfolio);
6. business reputation;
7. presence of a direct or potential conflict of interest;
8. availability of professional certification of the director "Certified Director" (for independent directors).

The following persons may not be elected to the Board of Directors:

- ♦ a participant, head of the executive body, member of the management body or employee of a legal entity competing with the Company;
- ♦ persons who have previously committed a corruption crime;
- ♦ persons who have an outstanding or unremoved criminal record in accordance with the procedure established by the legislation of the Republic of Kazakhstan;
- ♦ persons who have been previously the chairman of the board of directors, first head of the executive body, deputy first head, chief accountant

of another legal entity, in the period no more than one year prior to the decision on the forced liquidation or forced redemption of shares or conservation of another legal entity declared bankrupt, in accordance with the established procedure. This requirement shall apply for 5 (five) years after the date of the decision on the forced liquidation or forced redemption of shares or conservation of another legal entity declared bankrupt in accordance with the established procedure;

- ♦ a member of the board of directors of 4 (four) or more companies, with the exception of a member of the board of directors who is a representative of the Sole Shareholder.

The term of office of the Board of Directors shall be established by the Sole Shareholder.

Independent directors shall be elected for a term of no more than three years, and subsequently, subject to satisfactory performance results, they may be re-elected for another term of up to three years.

Any term of election to the Board of Directors for a term exceeding 6 (six) years in a row (for example, two three-year terms) is subject to special consideration taking into account the performance results and the results of the

assessment of the performance of a member of the Board of Directors, as well as the need for a qualitative renewal of the composition of the Board of Directors in the manner established by the internal document of the Company.

The same person from among the independent directors cannot be elected to the Board of Directors for more than 9 (nine) years in a row (for example, three three-year terms). In exceptional cases, election for a term exceeding 9 (nine) years is allowed, and the election of such a person to the Board of Directors occurs annually or at another time, with a detailed explanation of the need to elect this member of the Board of Directors and the impact of this fact on the independence of decision-making.

COMPETENCIES OF THE MEMBERS OF THE BOARD OF DIRECTORS IN PROFESSIONAL AREAS

The members of the Board of Directors of KazAgroFinance have a high level of competence and extensive work experience, allowing them to effectively perform their functions.

Key competencies, skills and experience	N. Aldapkelov	N. Koshkimbayev	K. Sapulatov	R. Abdussalamov	T. Dorenwendt	A. Prashev
Risk Management and Audit	+				+	
Strategic Planning	+	+	+	+	+	+
Finance and Economics	+	+	+	+	+	+
Business Management		+		+	+	+
Human Resource Management	+	+	+	+		+
Jurisprudence	+					

INDEPENDENCE

The presence and participation of independent directors is mandatory in the Board of Directors.

A candidate for election as an independent director to the Board of Directors shall:

- meet the definition of an independent director in accordance with paragraph 20

of Article 1 of the Law of the Republic of Kazakhstan On Joint Stock Companies:

independent director – a member of the board of

directors who is not an affiliate of the joint-stock company and has not been one for three years preceding his/her election to the board of directors (except in the case of his holding the position of an independent director of the joint-stock company), is not affiliated with affiliates of the joint-stock company; is not subordinate to officials of the joint-stock company or organisations that are affiliates of the joint-stock company and was not subordinate to these persons for three years preceding his/her election to the board of directors; is not a civil servant; is not a representative of a shareholder at meetings of the bodies of the joint-stock company and has not been one for three years preceding his/her election to the board of directors; does not participate in the audit of the joint-stock company as an auditor working as part of an audit organisation and did not participate in such an audit for three years preceding his/her election to the board of directors;

- have general information about key issues characteristic of an

organisation similar in scope and nature of the Company's activities; have professional experience of at least 2 (two) years preceding the nomination, and also demonstrate an understanding of:

- legal requirements in relation to the Company;
- competitive environment in national and international markets;

- be able to analyse and objectively evaluate the information provided and develop an independent position on the issue based on the principles of legality, fairness and equal treatment of all shareholders. Have the ability to express their own opinion and reasonably defend their point of view;

- know the principles of corporate governance and sustainable development;
- have an impeccable reputation/positive achievements in the business and (or) industry environment. The candidate's biography shall not contain facts of committing a crime in the field of economic activity, as well as administrative offenses in business activities;

- have enough time to participate in the work of the board of directors not only during meetings of the board of directors, but also to properly study the materials for the meetings of the board of directors;
- not be a member of more than 3 (three) boards of directors of other companies;
- inform the Company in the event of losing the status of an independent director.

The Board of Directors of KazAgroFinance shall include two independent directors.

During 2024, the following independent directors served on the Board of Directors:

- Ruslan Orazbayev (until 16.08.2024);
- Nurzhan Alimukhambetov (until 16.08.2024);
- Thomas Dorenwendt (from 07.10.2024);
- Rustam Abdussalamov (from 07.10.2024).

All independent directors meet the listed criteria of independence in decision-making by the Company's Board of Directors.

EVALUATION OF THE BOARD OF DIRECTORS' ACTIVITIES

The assessment of the Board of Directors' activities is carried out in order to obtain a comprehensive analysis of the main areas of the Board of Directors' activities. The assessment allows for an analysis and identification of the strengths and weaknesses of the Board of Directors and its committees, adjustments to the work and adjustments to the target areas of the Board of Directors' activities. In addition, the assessment makes it possible to determine to what extent the structure and composition of the Company's board of directors contribute to the Company's strategic objectives, the effectiveness of the work of the chairman of the board of directors and each member of the board of directors, and to determine the effectiveness of the remuneration system.

The assessment of the activities of the Board of Directors and its committees is carried out on an annual basis. The assessment can be carried out by the Company's own efforts, as well as with the involvement of consultants, professional associations and organisations that assign corporate governance ratings.

In accordance with the Company's Corporate Governance Code and based

on the range of issues within the competence of the Board of Directors, the Board of Directors carries out the following types of assessment:

- ♦ assessment of one's own work;
- ♦ assessment of the activities of the Board of Directors and the Committees of the Board of Directors of the Company.

By the decision of the Board of Directors dated December 18, 2024, No. 14, it was determined that the assessment of the activities of the Board of Directors of KazAgroFinance and its committees based on the results of 2024 should be carried out by its own efforts in accordance with the requirements of the legislation of the Republic of Kazakhstan and the internal regulatory documents of the Company. The assessment was carried out through a questionnaire. As part of the assessment, it was determined:

- ♦ The distribution of powers in the Company is determined in accordance with the Law of the Republic of Kazakhstan On Joint-Stock Companies, the Corporate Governance Code and the Regulation on the Board of Directors of the Company.
- ♦ The Board of Directors has all the necessary tools for proper control over the financial and economic activities of the Company.
- ♦ The Board of Directors actively participates in the development of the Company's development strategy, properly defining

the priority areas of the Company's activities. Control over the implementation of the development strategy is carried out at a high level, in a timely and adequate manner.

- ♦ The Board of Directors plays a significant role in making key decisions: approving the strategy, development plan and budget, establishing a system of motivation and assessment of management activities, as well as control over the reliability and effectiveness of risk management systems, internal control, internal audit and corporate governance systems.
- ♦ The reporting on the Company's activities submitted to the Board of Directors meets the established requirements.
- ♦ The work of the Board of Directors is organised in accordance with the best practices of corporate governance.
- ♦ The members of the Board of Directors responsibly fulfil the assigned tasks, carefully study the activities of the Company, which allows them to effectively perform their control functions.
- ♦ Members of the Board of Directors have professional experience and knowledge of the industry specifics.
- ♦ Effective joint work of members of the Board of Directors, open exchange of opinions, active participation of members of the Board of Directors and timely resolution of issues.
- ♦ Effective leadership of the Chairman of the Board of

Directors at the level of the Board of Directors itself.

- ♦ Chairmen of the Committees of the Board of Directors ensure the effectiveness of the committees they head in all aspects and effective interaction of the committees with the Board of Directors and the executive body of the Company.
- ♦ High level of participation of members of the Board of Directors in meetings of

the Board of Directors and Committees.

- ♦ Active discussion of issues on the agenda is conducted at meetings of the Committees.
- ♦ Independent directors make a valuable substantive contribution to the work of the Board of Directors and Committees.
- ♦ Timely signing of minutes of the Board of Directors and Committees.

Based on the results of the assessment, the work of the Board of Directors and its Committees is assessed positively and is recognised as effective.

The results of the assessment were reviewed at a meeting of the Board of Directors and approved by the decision of the Board of Directors dated May 29, 2025 No. 4.

TRAINING AND PROFESSIONAL DEVELOPMENT OF MEMBERS OF THE BOARD OF DIRECTORS

The need for training and professional development of members of the Board of Directors is determined based on the results of the assessment of the activities of the Board of Directors and

its Committees by the Board of Directors.

In 2024, members of the Board of Directors – independent directors N.Alimukhambetov and R.Abdussalamov

completed training on the course Independent Director. Successful Career, received a Certificate of completion of the course of the Association of Independent Directors of the Republic of Kazakhstan.

CONFLICT OF INTEREST MANAGEMENT AND CORPORATE CONFLICT MANAGEMENT

Avoidance of conflicts of interest is an important condition for ensuring the protection of the interests of the Sole Shareholder, the Company, officials and employees. All officials and employees of the Company are responsible for making transparent, timely and

adequate decisions free from conflicts of interest.

Members of the Board of Directors and the Management Board of the Company, employees of the Company, perform their professional functions in good faith and reasonably in the interests of shareholders

and KazAgroFinance, avoiding conflicts.

Corporate conflicts

Corporate conflict – disagreement or dispute between: the Sole Shareholder and other bodies of the

Company; bodies of the Company; members of the Board of Directors and the Management Board of the Company; the head of the Internal Audit Service of the Company, the Corporate Secretary of the Company, which negatively affects the interests of the Sole Shareholder and the activities of the Company.

In the event of the presence (emergence) of corporate conflicts, the participants seek ways to resolve them through negotiations to ensure effective protection of the interests of the Company and stakeholders. At the same time, the officials of the Company promptly inform the Corporate Secretary and/or the Ombudsman of the presence (emergence) of the conflict.

The effectiveness of work on the prevention and resolution of corporate conflicts assumes the complete and prompt identification of such conflicts and the coordination of the actions of all bodies of the Company.

Corporate conflicts, with the assistance of the Corporate Secretary and/or the Ombudsman, are considered by the Chairman of the Board of Directors of the Company. In the event of the involvement of the Chairman of the Board of Directors in a corporate conflict, such cases are considered by the Human Resources, Remuneration and Social Issues Committee.

To ensure an objective assessment of a corporate conflict and create conditions for its effective resolution, persons whose interests are affected or may be affected by the conflict do not participate in its resolution.

If it is impossible to resolve corporate conflicts through negotiations, they are resolved strictly in accordance with the legislation of the Republic of Kazakhstan.

The Board of Directors resolves corporate conflicts on issues within its competence. In this case, the Corporate Secretary and/or the Ombudsman are responsible for ensuring that the Board of Directors is as informed as possible about the essence of the corporate conflict and the role of a mediator in resolving the corporate conflict.

The Chairman of the Management Board, on behalf of KazAgroFinance, resolves corporate conflicts on all issues, decisions on which are not within the competence of the Board of Directors of the Company, and also independently determines the procedure for conducting work on the resolution of corporate conflicts.

The Board of Directors considers individual corporate conflicts within the competence of the Management Board (for example, if the subject of the conflict is the actions (inaction) of this body).

Conflict of interest

A conflict of interest is defined as a situation in which the personal interest of an employee of the Company affects or may affect the impartial performance of official duties.

The Company's employees do not allow a situation in which a conflict of interest may arise, either in relation to themselves (or persons associated with them) or in relation to others. The employee is obliged to immediately inform his immediate supervisor of any commercial or other interest in transactions, contracts, projects related to the Company.

In order to prevent and resolve corporate conflicts and conflicts of interest in the Company, as well as coordinate the actions of all bodies and officials, the Company is guided by the Rules for the Resolution of Corporate Conflicts and Conflicts of Interest in the Company, approved by the decision of the Board of Directors of the Company dated November 4, 2015 No. 17.

In addition, the following documents were approved by the decision of the Board of Directors of the Company dated February 23, 2022 No. 2:

1. The Code of Business Ethics of the Company – establishing the fundamental values and principles of corporate (business) ethics;
2. The Regulation on the Company Ombudsman – defining the functions of the

Ombudsman institution in resolving labour disputes, conflicts, problematic issues of a social and labour nature,

as well as in compliance with the principles of business ethics by the Company's employees.

In 2024, the Company did not record any cases of corporate conflicts or conflicts of interest in decision-making.

REPORTING PROBLEMS

The Board of Directors shall be informed of critical issues in accordance with the Regulation on the Board of Directors, the Company Charter by

providing relevant reports and information. In the reporting year, all issues requiring attention were considered within the framework of current

meetings. There were no issues related to the "critical" category.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Charter, internal documents of the Company, members of the Board of Directors of the Company, during the period of performance of their duties, may be paid remuneration and (or) compensated for expenses related to the performance of their functions as members of the Board of Directors of the Company.

Remuneration of independent directors is fixed and is paid for participation in meetings of the Board of

Directors and Committees of the Board of Directors on a quarterly basis. The amount and terms of payment of remuneration are determined by the decision of the Sole Shareholder. Remuneration is paid to independent directors of the Board of Directors after deduction of taxes in accordance with the tax legislation of the Republic of Kazakhstan, regulatory legal acts and other documents.

Remuneration for the reporting period is paid in proportion to the participation of the independent director in all in-person and in absentia meetings

of the Board of Directors/ Committees of the Board of Directors held in the reporting period.

Remuneration shall not be paid if the independent director participates in less than half of all in-person and in absentia meetings of the Board of Directors held in the reporting period (quarter). Payment of remuneration to members of the Board of Directors – representatives of the Sole Shareholder, the head of the executive body of the Company for participation in meetings of the Board of Directors shall not be provided.

BOARD OF DIRECTORS

**AIDOS
SEITZHANOV****Deputy Chairman of the Board
of KazAgroFinance**

Born May 10, 1990,
citizen of the Republic
of Kazakhstan.

Functions performed: coordinates the
Company's activities on issues of asset
assessment, administrative and economic
activities, and also works with branches
in terms of supervised areas of activity.

Education:

- ♦ L.N. Gumilyov Eurasian National University, majoring in Finance, Bachelor of Finance.
- ♦ A. Myrzakhmetov Kokshetau State University, majoring in Jurisprudence, Bachelor of Law.

On June 30, 2021, by the decision of the Board of Directors of KazAgroFinance, he was elected Deputy Chairman of the Management Board of KazAgroFinance.

Employment history:

- ♦ **2010–2019** – Temirbank JSC, Eurasian Bank JSC, Development Bank of Kazakhstan JSC in the area of small and medium-sized business lending, as well as corporate business.
- ♦ **10.2019–06.2021** – Director of the KazAgroFinance branch in Astana.
- ♦ **06.2021 – present** – Deputy Chairman of the Management Board of KazAgroFinance.

Does not have shares (participatory interests) in KazAgroFinance, affiliated

companies, and does not own shares in suppliers and competitors of KazAgroFinance. Part-time work and membership in the boards of directors of other organisations at present – none.

**ZHANUZAK
ORAZBAYEV****Deputy Chairman of the Board
of KazAgroFinance**

Born July 9, 1972,
citizen of the Republic
of Kazakhstan.

Functions performed: coordination
of activities in terms of financial and
economic issues, borrowing, accounting
and reporting issues of KazAgroFinance.

Education:

- ♦ Kazakh State Academy of Architecture and Civil Engineering, majoring in heat and gas supply and ventilation, qualification of civil engineer.
- ♦ Kazakh Economic University named after T. Ryskulov, majoring in accounting and auditing, bachelor of accounting and auditing.
- ♦ Swiss Business School SBS (Swiss Business School), majoring in MBA – Master of Business Administration.

On February 22, 2022, by the decision of the Board of Directors of KazAgroFinance, he was elected as Deputy Chairman of the Management Board of KazAgroFinance.

Employment history:

- ♦ **09.2001–11.2009** – work in commercial, quasi-governmental structures.
- ♦ **12.2009–11.2019** – Deputy Director of the Information and Computing Centre of the Statistics Committee RSE

of the Ministry of National Economy of the Republic of Kazakhstan.

- ♦ **12.2019–12.2021** – Managing Director of Fund for Financial Support of Agriculture JSC.
- ♦ **02.2022 – present** – Deputy Chairman of the Board of KazAgroFinance.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance. Part-time work and membership in the boards of directors of other organisations at present – none.

BOARD OF DIRECTORS

**ERKEBULAN
ZHUMZHAYEV****Deputy Chairman
of the Management Board
of KazAgroFinance**

Born on May 8, 1988,
citizen of the Republic
of Kazakhstan.

Responsibilities: coordination of the
Company's activities in terms of credit
and leasing activities.

Education:

- ♦ L.N. Gumilyov Eurasian National University, majoring in Finance, Bachelor of Finance.
- ♦ Kazakh University of Economics, Finance and International Trade, majoring in Finance, Master of Economics and Business.
- ♦ Regional Social and Innovative University, majoring in Jurisprudence, Bachelor of Law.

On June 30, 2022, by the Decision of the Board of Directors of KazAgroFinance, he was elected as Deputy

**Chairman of the Management
Board of KazAgroFinance.****Employment history:**

- ♦ **04.2011–04.2013** – Engineer, Production and Technical Department, K. Satpayev Canal RSE of the Ministry of Agriculture of the Republic of Kazakhstan.
- ♦ **04.2013–08.2018** – Senior Manager, Senior Analyst and Head of the Credit Analysis Department at the branches of Halyk Bank JSC.
- ♦ **08.2018** – Various positions in subsidiaries of National Management Holding Baiterek JSC.

- ♦ **06.2022 – Present** – Deputy Chairman of the Management Board of KazAgroFinance.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance. Part-time work and membership in the boards of directors of other organisations at present – none.

**MARS
ALISH****Deputy Chairman
of the Management Board
of KazAgroFinance**

Born on August 14, 1984,
citizen of the Republic
of Kazakhstan.

Responsibilities: coordination of
the Company's activities on issues
of working with problem projects,
project administration, development of
information technologies.

Education:

- ♦ K. Zhubanov Aktobe State University, majoring in Accounting and Auditing.
- ♦ Lomonosov Moscow State University, majoring in Master of Business Administration.

On May 3, 2022, by the Decision of the Board of Directors of KazAgroFinance, he was elected Deputy Chairman of the Management Board of KazAgroFinance.

Employment history:

- ♦ **04.2006–06.2018** – work in commercial structures.

- ♦ **06.2018–02.2019** – Director of the Finance and Planning Department, Executive Director of NC SPK Kaspi JSC.
- ♦ **03.2019–02.2021** – Expert of KMG Karachaganak LLP.
- ♦ **02.2021–05.2022** – Head of the Leasing and Lending Department, Director of the KazAgroFinance branch in Astana.
- ♦ **05.2022 – present** – Deputy Chairman of the Board of KazAgroFinance.

Does not have shares (participatory interests) in KazAgroFinance, affiliated companies, and does not own shares in suppliers and competitors of KazAgroFinance. Part-time work and

membership in the boards of directors of
other organisations at present – none.

ACTIVITIES OF THE MANAGEMENT BOARD

The Management Board manages the Company's current activities and is responsible for the implementation of the Development Strategy, Development Plan and decisions taken by the Board

of Directors and the Sole Shareholder.

The activities of the Management Board are regulated by the Regulation on the Company's Management Board.

During 2024, 43 meetings of the Management Board were held, all in person, the meetings were held on a regular basis. High attendance of meetings by members of the Management Board is noted, except for cases of absence for a valid reason.

Presence of members of the Management Board at its meetings

Full name	Quantity
A. Prashev	34/43
A. Seitzhanov	35/43
Z. Orazbayev	37/43
M. Alish	39/43
Y. Zhumzhayev	39/43

THE MAIN GOAL OF THE MANAGEMENT BOARD IS THE EFFECTIVE IMPLEMENTATION OF THE DEVELOPMENT STRATEGY AND DEVELOPMENT PLAN OF KAZAGROFINANCE.

The main principles of the Management Board's work:

- ♦ transparency and openness;
- ♦ responsibility and accountability;
- ♦ objective distribution of duties;
- ♦ proper approval and authorisation of transactions;
- ♦ comprehensiveness and systematicity;
- ♦ continuous development and improvement;
- ♦ flexibility;
- ♦ timely identification and response to any significant deficiencies and control weaknesses;
- ♦ priority of the areas of activity of the Management Board;
- ♦ technological effectiveness;
- ♦ competence of employees;
- ♦ documentation of procedures;
- ♦ reliability and completeness of information.

COMMITTEES OF THE MANAGEMENT BOARD

Risk Committee

The main objectives of the Risk Committee are the implementation of the Risk Management Policy, the organisation of the process of identification, assessment, control and monitoring of risks at all levels of the Company.

Conducting an analysis of the factors that led to the implementation of operational risk, including in cases of identifying facts of untimely entry of information on realised risks into the database.

Credit Committee

A collegial body authorised to make decisions on issues related to the Company's credit activities and work with problem debt, as well as on issues of acquiring leased items.

The tasks of the Credit Committee are to implement the Company's credit policy, minimise the level of credit risk when conducting credit transactions, and ensure the prevention of transactions related to the legalisation (laundering) of illegally

obtained income and the financing of terrorism.

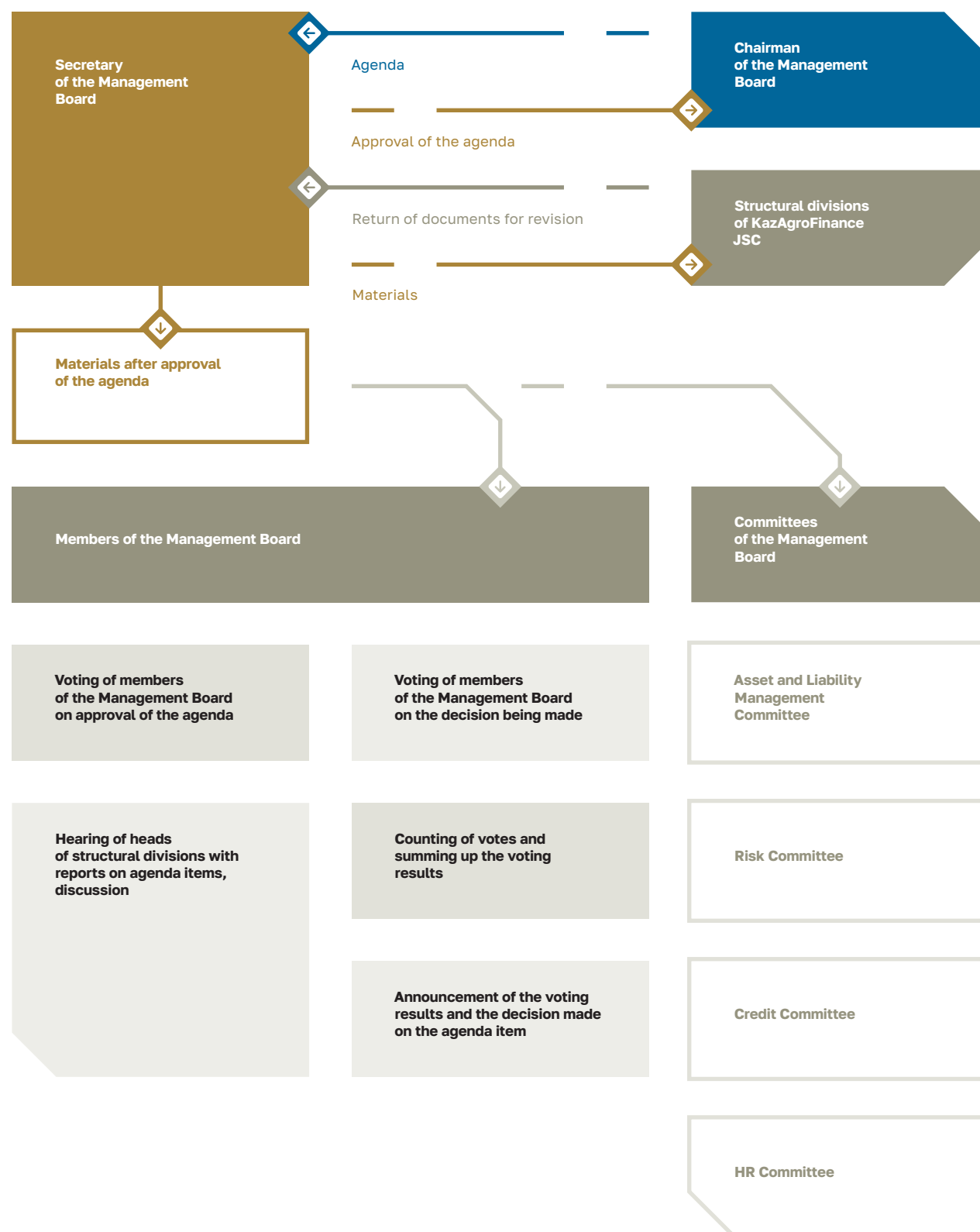
Asset and Liability Management Committee (hereinafter referred to as ALMC)

A permanent collegial body of KazAgroFinance. ALMC implements the Company's policy in the field of asset and liability management, develops recommendations to the Management Board in order to make effective and timely decisions on asset and liability management, as well as temporarily available funds.

Personnel Committee

A permanent advisory and consultative collegial working body of the Company, created to prepare recommendations for the Chairman and the Board of the Company on individual issues related to professional and personnel growth, employee motivation, disciplinary action, as well as other issues related to personnel management.





ORGANISATIONAL STRUCTURE

In order to implement the assigned functions and tasks, by the decision of the Board of KazAgroFinance dated November 28, 2024 No. 38, the organisational structure of the Company was approved in a new edition, which includes 17 structural divisions and 15 branches located in the regions of the Republic of Kazakhstan.

By the decision of the Board of Directors of the Company, the total number of employees of the Company was approved in the amount of 341 units (minutes dated September 20, 2022 No. 12), of which the central office consists of 140 units, branches – 201 units.

Thus, the central office of the Company includes the following structural divisions:

Divisions and employees accountable to the Board of Directors of the Company:

1. Internal Audit Service;
2. Anti-Corruption Compliance Service;
3. Corporate Secretary;

Departments supervised by the Executive Body of the Company:

4. Risk Management Department;
5. Security Department;
6. Corporate Development Department;
7. Human Resources Management Department;
8. Finance Department;
9. Borrowing Department;
10. Accounting and Reporting Department;
11. Information Technology Development Department;
12. Rehabilitation and Problem Projects Department;
13. Project Administration Department;
14. Asset Expertise Department;
15. Administrative Department;
16. Collateral and Industry Economy Department;
17. Legal Department;
18. Credit and Leasing Department.

Branch network:

1. Company's branch in Astana;
2. Company's branch in Almaty and Almaty region;
3. Company's branch in Shymkent and Turkestan region;
4. Company's branch in Akmola region;
5. Company's branch in Aktobe region;
6. Company's branch in East Kazakhstan region;
7. Company's branch in Zhambyl region;
8. Company's branch in West Kazakhstan region;
9. Company's branch in Karaganda region;
10. Company's branch in Kostanay region;
11. Company's branch in Kyzylorda region;
12. Company's branch in Pavlodar region;
13. Company's branch in North Kazakhstan region;
14. Company's branch in Abay region;
15. Company's branch in Zhetisu region.



REPORT ON TRANSACTIONS IN WHICH THERE IS INTEREST FOR 2024

One of the main objectives of modern corporate legislation is not only to regulate the legal status of a joint-stock company, but also to most effectively and appropriately regulate various conflicts of interest that arise in the course of the Company’s activities, acting in the organisational and legal form of a joint-stock company. An example of such regulation of conflicts of interest

are legislative provisions regarding the conditions for implementing special categories of transactions involving a joint-stock company.

Article 73 of the Law of the Republic of Kazakhstan On Joint-Stock Companies sets out the requirements for the procedure for concluding a transaction in which there

is an interest. The Company quarterly publishes information on transactions in which there is an interest on its corporate website and on the Internet resources of the Kazakhstan Stock Exchange and the Depository of Financial Statements. During the reporting period, the Company concluded 4 (four) transactions, a detailed description of which is given in Annex No. 5.

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

The policy and amount of remuneration of executives shall be regulated by the Rules for remuneration, performance evaluation and remuneration of executives of KazAgroFinance.

In the reporting year, there were no cases of disciplinary action against executives.

The accrued remuneration of executives in 2024 was 214,344 thousand KZT, including taxes and deductions from wages – 20,320 thousand KZT.

Payment of remuneration based on the results of work for 2024 is carried out in 2025 by decision of the Board of Directors, subject to the availability of net consolidated profit for 2024, after approval in the prescribed manner of the results of financial and economic activities based on the audited financial statements of the Company for the reporting year, depending on the results of achieving strategic and individual KPIs and the results of performance evaluation.

SHAREHOLDING STRUCTURE

The number of declared and issued common shares of the Company as of December 31, 2024 is 102,837,204 common shares, the par value of shares is 102,837,204,000 KZT, the change in the

number of common shares of the Company was caused by the decision of the Board of Directors dated May 2, 2023 No. 4 On increasing the number of declared shares of KazAgroFinance.

Number of declared common shares:	102,837,204 shares
Number of placed common shares:	102,837,204 shares
Par value of one common share:	1,000 KZT
Placement price of one share:	1,000 KZT
Method of payment for the issuer’s shares:	the issuer’s shares were paid for in cash
Amount of funds raised from the placement of the issuer’s shares:	102,837,204,000 KZT

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Amount of funds raised from the placement of the issuer’s shares

102,837,204,000 KZT

DIVIDENDS

The principles of the dividend policy are defined by the Regulation on Dividend Policy.

The dividend policy is based on the principles of:

1. strict observance of the rights of the Sole Shareholder stipulated by the legislation of the Republic of Kazakhstan, the Charter of KazAgroFinance, its internal documents and the best corporate governance practices;
2. balance of interests of KazAgroFinance and the Sole Shareholder when determining the amount of dividend payments;
3. taking into account the interests of the Sole Shareholder and maximising its assets;
4. compliance with the restrictions established by the legislation of the Republic of Kazakhstan and the Charter of KazAgroFinance when deciding on the payment of dividends;
5. development of a medium-term and long-term dividend policy in accordance with the basic principles and approaches to the formation of the dividend policy of KazAgroFinance;

6. ensuring the motivation of the Management Board of KazAgroFinance to achieve the planned net income and dividends.

Dividends for 2023 were paid on June 18, 2024 in the amount of 13,249,722,501 KZT 79 tiyn. The dividend amount per common share is 128 KZT 84 tiyn.

Dividends paid

Name	Unit of measurement	2022 (for 2021)	2023 (for 2022)	2024 (for 2023)
Net income (loss)*	thousand KZT	17,301,745	20,619,374	18,928,175.0
Dividends declared during the year	thousand KZT	12,111,222	10,309,687	13,249,722.5
Dividends paid during the year	thousand KZT	12,111,222	10,309,687	13,249,722.5
Dividend amount per share **	KZT	146.21	124.46	128.84
Book value of a share ***	KZT	1,774.30	1,889.28	1,800.48

* Net income for the year for which dividends were paid.

** Profit for the year for which dividends were paid.

*** The book value of the year for which dividends were paid.

COUNTERING CORRUPTION

The Company's management and its employees adhere to the fundamental principles of openness and transparency in their work. The Company strives to ensure maximum publicity. First of all, this work is designed to ensure the fight against corruption, as well as the prevention of illegal actions by the Company's employees.

The Company's activities in the field of combating corruption in the reporting year.

In accordance with the requirements of the Law On Combating Corruption, the Company implements the Anti-Corruption Policy and Anti-Corruption Standards in the KazAgroFinance Joint-Stock Company approved in 2021.

The purpose of countering corruption in the Company is to eliminate the risks of corruption and is implemented by solving the following tasks:

1. creating an atmosphere of intolerance towards corruption in the Company;
2. developing a legal culture and sustainable anti-corruption behaviour among the Company's employees,

- ensuring compliance with the principles of honesty and transparency in the performance of official duties;
3. conducting a comprehensive check of the reliability of the Company's counterparties and candidates for vacant positions upon hiring and confirming the commitment to follow the Company's Anti-Corruption Policy;
4. identifying the conditions and causes that contribute to the commission of corruption offenses, disciplinary offenses with signs of corruption, and eliminating their consequences;
5. prevention, as well as timely detection of corruption, prevention of their negative consequences strengthening the Company's interaction with other entities countering corruption.

The Anti-Corruption Compliance Service carries out its activities in order to ensure compliance by the Company and its employees with anti-corruption legislation, internal policies and standards for countering corruption.

The Anti-Corruption Compliance Service is a structural unit subordinate and accountable to the Board of Directors of

the Company and has the status of independence in the implementation of its tasks and functions.

The main goal of the Anti-Corruption Compliance Service (which is also responsible for organising the Company's work to combat the legalisation (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction) is to minimise compliance risks and perform tasks on:

1. implementation, organisation and development of the compliance system in the Company;
2. improvement of compliance risk management processes;
3. ensuring compliance in the Company with regulatory and legal requirements, internal rules, recommendations and standards governing the Company's activities;
4. ensuring compliance by the Company and its employees with the legislation of the Republic of Kazakhstan on combating corruption.

The anti-corruption compliance service, in implementing its tasks, along with other functions:

1. coordinates, controls activities and monitors the implementation of anti-corruption measures;
2. assesses compliance risks, including ensuring that the Company's key business processes are assessed for exposure to corruption risks;
3. reviews and analyses requests and reports on corruption and other abuses of power by the Company's employees, including those received via the Hotline, requests containing claims against the Company or its individual employees in the performance of their official duties;
4. provides recommendations for eliminating identified violations and deficiencies in the work of individual employees and divisions of the Company, as well as for optimising business processes;
5. conducts outreach work and training on compliance issues, including for the purpose of combating corruption and forming an anti-corruption culture.

If necessary, working groups are created to carry out anti-corruption activities, and employees from other departments are involved.

As part of the Anti-Corruption Compliance Service's functions in 2024, no risks related to corruption were identified for the Company.

There were no cases of corruption and measures taken against the Company and its employees during the reporting year due to violations related to corruption.

Based on the results of the analysis of appeals, including those for which official inspections were carried out, there were no confirmed corruption components in the actions of the Company's employees.

During the reporting period, the Anti-Corruption Compliance Service, as part of the formation of an anti-corruption culture, conducted explanatory and training events for all

employees of the Company and its branches on the following topics:

- ♦ Anti-corruption rating Global Corruption Index 2023;
- ♦ Corruption perceptions index 2023;
- ♦ Corruption prevention (trends in the development of legislation in the field of countering corruption, as well as demonstrations of the tools used to build an effective anti-corruption compliance system);
- ♦ New Year gifts: Work ethics and rules for giving gifts, with the provision of a Memo on gifts for persons who have accepted anti-corruption restrictions.

COMPLIANCE CONTROL

According to the Annual Audit Plan for 2024 approved by the resolution of the Board of Directors of the Company dated December 25, 2023 (minutes No. 12), in the 4th quarter of 2024, the Internal Audit Service of the Company conducted an audit to Assess the effectiveness of the internal control system for the purpose of countering the legalisation (laundering) of proceeds from crime and the financing of terrorism.

Based on the audit results, the Internal Audit Service assigned a "Satisfactory" rating to the internal control and risk management system for the purpose of countering the legalisation (laundering) of proceeds from crime, the financing of terrorism and the

financing of the proliferation of weapons of mass destruction (hereinafter referred to as AML/CFT/CPF).

Key risks and significant issues related to the Company's activities have not been identified. At the same time, some deficiencies were identified, based on the results of the review of which corresponding recommendations were given, and the Corrective/Preventive Action Plan was approved by the resolution of the Board of Directors of the Company dated March 11, 2025, minutes No. 1).

According to the specified Plan for 2025, the following activities are planned:

1. making changes (additions) to the current internal

regulatory documents of the Company, as well as developing new ones.

2. conducting training for the Company's employees.

As part of the implementation of compliance control procedures, the organisation of internal control activities for AML/CFT/CFTP purposes is assigned to the Anti-Corruption Compliance Service, which reports to the Board of Directors of the Company, performing the function of organising internal control for AML/CFT/CFTP purposes and ensures activities on the second line of defence, coordinating and exercising control over internal AML/CFT/CFTP controllers and structural units on the first line of defence.



In addition, in accordance with the Internal Control Rules for AML/CFT/CFTP purposes of the Company, the Anti-Corruption Compliance Service develops training materials and test assignments, familiarises with the training materials, provides direct training, provides explanations and consultations.

The training is carried out in the form of courses:

1. introductory: obtaining by the Company's employees of basic knowledge about the international and national AML/CFT/CFTP system, regulatory legal acts of the Republic of Kazakhstan and other internal documents adopted for AML/CFT/CFTP purposes);
2. main: obtaining by the Company's employees of the knowledge necessary for their compliance with AML/CFT/CFTP legislation, improving and maintaining the effectiveness of the Company's internal control system and programs for their implementation at a level sufficient to manage the risks of money laundering and terrorist financing.

Additional training is provided when the legislation of the Republic of Kazakhstan in the field of AML/CFT/CFMD changes, when the Company approves new or changes existing internal control rules for the purposes of AML/CFT/

CFMD and programs for their implementation, as well as when it is necessary to update and systematise the knowledge of the Company's employees in the field of AML/CFT/CFMD, study the International FATF Standards, familiarise themselves with modern national and international methods of combating money laundering and terrorist financing.

During the reporting period, the following people completed training under the AML/CFT/CFMD program:

1. for the introductory course – 61 newly hired employees of the Company and its branches;
2. for the main course – 261 newly hired employees and current employees as part of additional training conducted taking into account the amendments (additions) to the Internal Control Rules for AML/CFT/CFTP purposes, introduced in December 2023.

The Company implements compliance control and anti-money laundering and anti-terrorist financing policies in KazAgroFinance, according to which the Board of Directors of the Company shall:

1. approve the Policies;
2. approve the Company's Internal Control Rules in the area of AML/CFT/CFMD for the purpose of implementing this Policy;

3. review management reporting and makes decisions on internal control measures for AML/CFT/CFMD purposes.

All these issues are preliminarily discussed by the Audit and Risk Committee, submitted for its consideration by the Anti-Corruption Compliance Service.

The Management Board in the Company's internal control system in the field of AML/CFT/CFMD shall:

1. create conditions for the effective functioning of the internal control system for the purposes of AML/CFT/CF;
2. review the results of investigations conducted on suspicions and facts of the Company's employees' participation in ML/FT and makes decisions on them

No cases of corruption have been identified by the end of 2024.

CORPORATE ETHICS

By the decision of the Board of Directors of KazAgroFinance dated February 23, 2022 No. 2, the Code of Business Ethics of KazAgroFinance (hereinafter referred to as the Code) was approved².

The Code was developed in accordance with the provisions of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company, including the Code of Corporate Governance of the Company, taking into account recognised international standards of business conduct and corporate governance and is a set of rules establishing the fundamental values and principles of corporate (business) ethics, which are followed by officials and employees of KazAgroFinance.

The main objectives of the Code are:

1. development of a unified corporate culture based on high ethical standards;
2. maintaining an atmosphere of trust, mutual respect and integrity in the Company;
3. consolidation of fundamental values and principles,

standards of corporate (business) ethics and behaviour, which are followed by the Company's officials and employees in their activities;

4. building effective interaction with Stakeholders by applying the best practices of corporate (business) behaviours.

The Company's goal in terms of forming a corporate culture is to achieve the following conditions:

1. managers create a climate that motivates employees to make maximum efforts to achieve results;
2. initiative from below and innovation are encouraged;
3. self-improvement and self-development are a conscious necessity;
4. managers and employees focus on the final result and success of the common cause;
5. each manager and employees understand their role and importance in achieving strategic goals;
6. each decision is made taking into account the

social orientation of the business and focus on key stakeholders.

The Code is applied together with other internal documents of the Company and reflects the activities of the Company's officials and employees in terms of the application of the norms and principles of corporate (business) ethics and behaviour.

The fundamental values of the Company are:

- ♦ **Professionalism:** high preparedness to perform professional tasks;
- ♦ **Team:** cooperation to achieve higher results from joint activities;
- ♦ **Honesty:** honesty within the Company, to its partners and clients;
- ♦ **Social responsibility:** responsibility for the impact of the Company's activities on stakeholders in the public sphere.

All employees of the Company undertake the following obligations in relation to the Code:

1. carefully study, understand and conscientiously follow

² www.kaf.kz/upload/iblock/a37/4vq8gd033lzxdt5fkd1teisk7ple1t/Kodeks-korporativnoy-etiki_1.pdf

- the requirements of business ethics and rules of conduct established by the Code;
2. conscientiously, professionally, effectively and impartially perform their official functions and duties;
 3. be responsible for the obligations assumed, regardless of status and position;
 4. provide assistance in conducting investigations into violations of the principles of business ethics and rules of conduct;
 5. comply with information security requirements and procedures.

The acceptance of the above obligations by all employees of the Company is evidenced by the consents they signed upon hiring.

The Company's management makes management decisions that comply with the requirements of the Code, based on the principles of transparency and impartiality, demonstrates commitment to the requirements of the Code by personal example, devotes time to creating a team spirit among subordinates, uniting the staff into a team united by the common mission, values and principles of the Company.

Corporate governance in the Company is based on the principle of protecting and respecting the rights and legitimate interests of the Sole Shareholder.

Compliance with the provisions and principles of corporate governance is reviewed annually by the Board of Directors of the Company (for detailed information, see the section Report on Compliance with the Principles and Provisions of the Corporate Governance Code).

The Company complies with the terms of contracts with business partners and fulfils its obligations towards them, and is also interested in establishing long-term partnerships with clients and contributes in every possible way to their development. Similar provisions are provided in the Code of Corporate Governance of the Company. The Company interacts with business partners based on mutual benefit, respect, trust, honesty and fairness. The Company does business with reliable business partners only.

The Company fulfils its contractual obligations to business partners in good faith and requires the same from them, which is fixed by contractual agreements.

All employees of the Company, as well as business partners and interested parties, have the right to contact the Ombudsman on issues related to the requirements of the Code and/or ethical issues that arise in the course of work, as well as labour conflicts, and the Anti-Corruption Compliance Service on facts of violations of

the requirements of the Code, corruption and other illegal actions (facts of violation of the principles of business ethics and rules of conduct by officials are considered by the Board of Directors of the Company).

Thus, in accordance with the decision of the Board of Directors of the Company dated May 27, 2024 No. 5, Dina Akrachkova was appointed Ombudsman of the Company.

The main functions of the Ombudsman include:

1. collection of information on non-compliance with the provisions of the Code;
2. consultation of all employees on the provisions of the Code;
3. initiation of consideration of disputes on violation of the provisions of the Code and participation in their settlement. In terms of corporate conflicts and conflicts of interest, the Ombudsman coordinates his/her actions with persons responsible for resolving corporate conflicts and conflicts of interest.

In the event of violations of the provisions of the Code, employees of the Company have the right to contact the Ombudsman both in writing and orally.

INTERNAL CONTROL SYSTEM

The Internal Control System (ICS) is a set of organisational policies, procedures, standards of conduct and actions, methods and mechanisms of internal control determined by the Management Board, the Board of Directors to ensure effective internal control over the financial and economic activities of the Company and aimed at achieving the Company's goals and minimising risks in the implementation of activities.

The Company has a Policy on the Internal Control System of KazAgroFinance, approved by the decision of the Board of Directors of the Company dated September 6, 2019 No. 9. The Policy defines the concepts, goals and objectives of the ICS, the principles of its functioning, the key areas and main components of the internal control procedures, as well as the competence and responsibility of the internal control entities for the implementation of procedures and assessment of the internal control system of the Company.

In addition, in order to determine the procedure for ensuring the effective functioning of the ICS in the Company, the rules for the implementation of the policy on the internal control system of the Company were approved by the decision of the Management Board dated August 5, 2019 No. 24.

The internal control system of the Company is based on the following principles:

1. **integrity** – the internal control system is an integral component of the Company's management system at all its levels;
2. **comprehensiveness** – the internal control system covers all areas of the Company's activities, control procedures are performed in all business processes of the Company at all levels of the management system;
3. **continuity of operation** – continuous and proper functioning of the internal control system, which allows for timely prevention and detection of any deviations from planned data;

4. **responsibility** – all subjects of the internal control system are responsible for the proper implementation of control procedures within the framework of their powers, as set out in the internal regulatory documents of the Company;

5. **Separation of duties** – the Company is guided by the principle of indivisibility of responsibility (responsibility for the implementation of each individual control procedure is assigned to only one participant in the internal control system) and delimitation of control functions (functions are distributed between officials and employees of KazAgroFinance in such a way that one and the same person does not combine functions related to the approval of transactions with certain assets, accounting for transactions, ensuring the safety of assets and conducting their inventory, etc.);

6. **Reporting of participants in the internal control system** – the quality and timeliness of

the performance of tasks and duties by each person involved in the internal control system is controlled by a higher-ranking participant in the internal control system;

7. Unity of the methodological base – a unified approach to the application of standards in the field of internal control for all branches;

8. Proper approval and confirmation of transactions – the Company strives to establish a procedure for approving all financial and economic transactions by authorised bodies and persons, within the limits of their respective powers;

9. timeliness of reporting any significant deficiencies and control weaknesses – the Company shall establish the shortest possible deadlines for reporting relevant information to bodies and/or persons authorised to make decisions on eliminating any significant deficiencies and control weaknesses;

10. continuous development and improvement – internal control procedures must be aimed at continuously identifying deficiencies and areas for improvement of the existing internal control system, taking into account its adaptation to changes in the internal and external conditions of the Company's functioning and new challenges that have arisen,

as well as the application of appropriate corrective measures and monitoring of their implementation.

The Company's internal control system consists of five interdependent components:

- 1.** control environment;
- 2.** risk assessment;
- 3.** control procedures;
- 4.** information and its transfer;
- 5.** monitoring.

The competence of the participants in the internal control system is delineated depending on their roles in the processes of development, approval, application and assessment of the effectiveness of the internal control system.

Ensuring the functioning of the internal control system is assigned to all business process owners, however, first and foremost, responsibility lies with the managers and employees of the structural unit of the Company responsible for the internal control system, who are delegated the corresponding responsibilities for maintaining effective internal control on a daily basis.

In order to implement internal control, the Company has built a three-line defence:

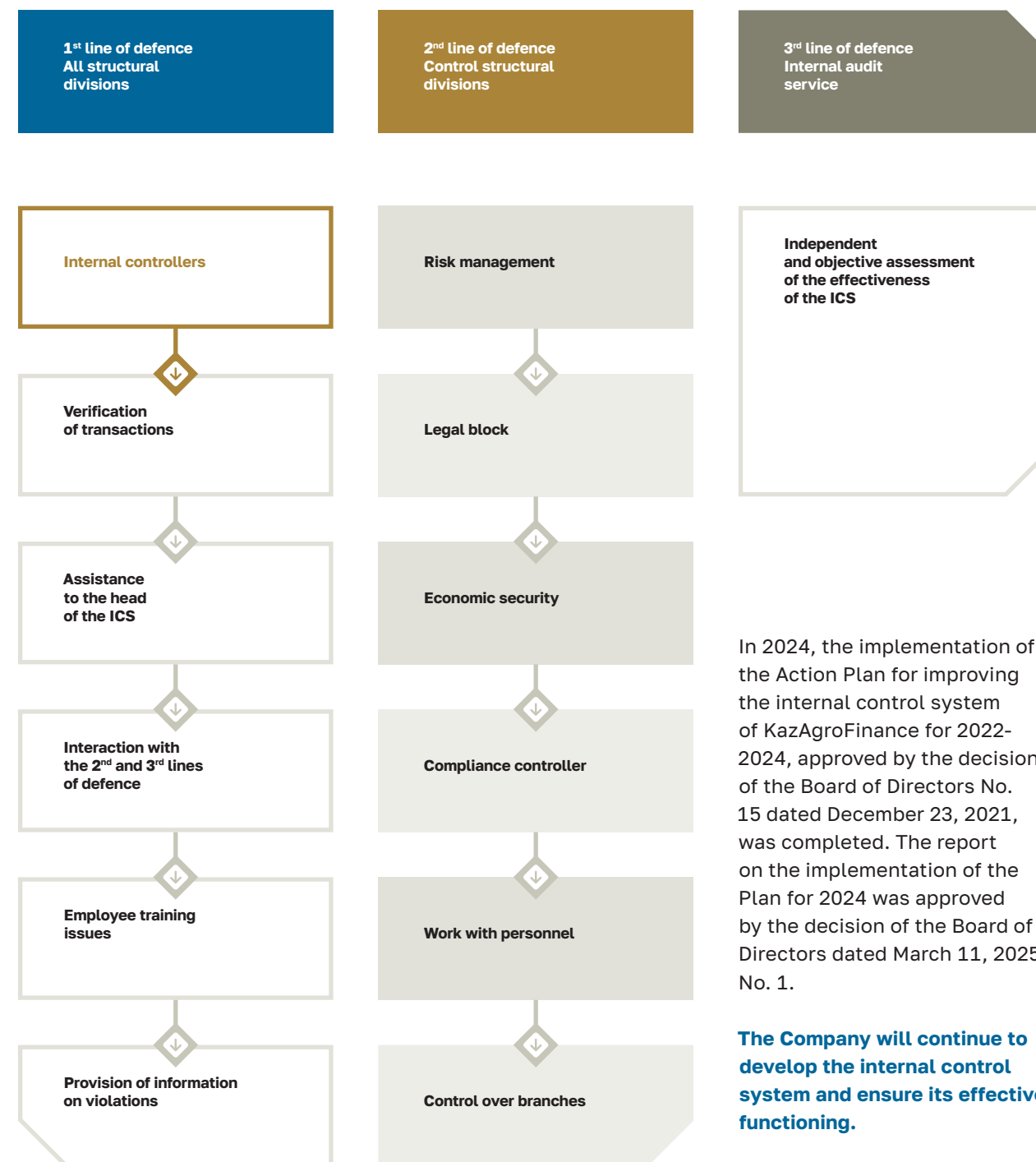
- ♦ **first line of defence:** in the structural divisions of the

Company from among the Company's employees;

- ♦ **the second line of defence:** structural divisions of the Company that perform control functions (compliance with the legislation of the Republic of Kazakhstan on combating money laundering and terrorist financing; control over the Company's risk management; control over ensuring the economic and information security of the Company; control over the compliance of the Company's activities with the legislation of the Republic of Kazakhstan and legal assessment of counterparties; control over ensuring the implementation of the Company's HR policy and personnel management; control over the credit and leasing activities of the Company's branches);

- ♦ **the third line of defence** is provided by the internal audit service through an assessment of the effectiveness of the Company's internal control system.

Thus, the Company's internal control system is an integral part of the corporate governance system, covers all management levels, all internal processes and operations of the Company.



In 2024, the implementation of the Action Plan for improving the internal control system of KazAgroFinance for 2022-2024, approved by the decision of the Board of Directors No. 15 dated December 23, 2021, was completed. The report on the implementation of the Plan for 2024 was approved by the decision of the Board of Directors dated March 11, 2025 No. 1.

The Company will continue to develop the internal control system and ensure its effective functioning.

INTERNAL AUDIT SERVICE

The activities of the Internal Audit Service (hereinafter referred to as the IAS) are carried out in accordance with the Regulation on the Internal Audit Service and the Rules for the Organisation of Internal Audit, based on the application of the Code of Ethics, quality standards and standards for the activities of internal auditors established by the International Institute of Internal Auditors.

The mission of the IAS is to assist the Board of Directors and the Management Board in fulfilling their responsibilities to achieve the strategic goals of the Company. The purpose of the IAS is to provide the Board of Directors with independent and objective guarantees and consultations aimed at improving the risk management, internal control and corporate governance systems in the Company.

The IAS has developed an annual audit plan (AAP) for 2024, taking into account the risks and strategic objectives of the Company. The AAP covers the main business processes of strategic importance to the

Company. The audit assignments provided by the AAP for 2024 have been completed in full and in accordance with the established objectives. The recommendations of the IAS provided within the framework of the completed audit assignments are aimed at assisting the Company's management in solving risk management problems and building an effective internal control system. During 2024, the Internal Audit Service regularly submitted reports (quarterly and annual) to the Board of Directors for review. The Internal Audit Service monitored the recommendations of the Internal Audit Service/external auditor on a quarterly basis and provided the results as part of periodic reports to the Board of Directors. The management has established appropriate control over the implementation of the Internal Audit Service recommendations. The Internal Audit Service interacts with the Holding and external auditors within its competencies. The Internal Audit Service takes measures for continuous professional training and advanced training of the Internal

Audit Service employees. Thus, in 2024, a professional training plan was completed for the head and employees of the Internal Audit Service, which provides training activities within the framework of CIA certification and the development of practical skills of the Internal Audit Service employees. In addition, the Internal Audit Service employees actively participate in trainings and seminars conducted by the Institute of Internal Audit of Kazakhstan. In the reporting year, the head of the Internal Audit Service confirmed the CPE hours for the annual renewal of the CIA certificate. The CIA certificate has been extended until December 31, 2025.

The Company has a Quality Assurance and Improvement Program. The criteria for assessing the quality of work of the IAS employees have been developed and approved by the Board of Directors of the Company; the assessment results are submitted for consideration to the Board of Directors as part of the assessment of the effectiveness of the IAS activities. The IAS

is independent in drawing up the GAP, selecting methods and procedures, as well as the scope of work to achieve the objectives of audit assignments. The IAS employees are not involved in the types of activities that are subsequently assessed.

In 2022, an independent assessment of the IAS activities was carried out for

compliance with the mandatory sections of the International Framework for the Professional Practice of Internal Auditing (IFPIA): Definitions of Internal Audit, Standards, as well as compliance by internal auditors with the Code of Ethics. The quality assurance and improvement program provide an annual internal assessment of the quality of the IAS activities (self-assessment).

Based on the results of the annual self-assessment, an action plan is approved to improve the IAS activities.

The activities of the IAS are aimed at continuous improvement and increasing the value of KazAgroFinance, recommending positive changes that lead to an increase in the productivity and efficiency of the Company.

EXTERNAL AUDIT

KPMG Audit LLP, a member of the KPMG International Limited group of companies, has been appointed as the audit organisation to conduct the audit of the financial statements of KazAgroFinance for 2024.

Auditor's remuneration, thousand KZT

Services	2022	2023	2024
Annual audit	53,312	58,643	81,176
Mid-Year Review	22,848	25,133	34,789
Total	76,160	83,776	115,965

With regard to the appointment and rotation of the external auditor and key personnel of the audit organisation, and

the approval of the services of the audit organisation not related to the audit of financial statements, the Company is

guided by the External Audit Policy approved by the decision of the Board of Directors dated December 9, 2016.

RISK MANAGEMENT

- 138 - Risk management system
- 144 - Risk analysis

RISK MANAGEMENT SYSTEM

Risk management is one of the key components of the corporate governance system of KazAgroFinance, as well as an integral part of each process and functional responsibilities of each employee of the Company, aimed at timely risk identification, assessment, monitoring and taking measures to reduce them in order to achieve the strategic and operational goals of the Company.

The risk management system of KazAgroFinance (hereinafter referred to as the RMS) consists of interconnected elements combined into a single process and includes a system of processes and procedures that provide the executive body and the management body of the Company with timely information on risks and decisions on their minimisation.

The main goal of the risk management system of KazAgroFinance is to ensure reliable operation of the key areas of the Company's activities, support their stable development, guarantee the fulfilment of obligations to the shareholder, clients, regulator and other stakeholders.

THE MAIN PRINCIPLES OF THE RISK MANAGEMENT PROCESS OF THE COMPANY ARE:

Integrity – consideration of elements of the Company's overall risk in the context of the corporate risk management system

Openness – prohibition on considering the corporate risk management system as autonomous or separate

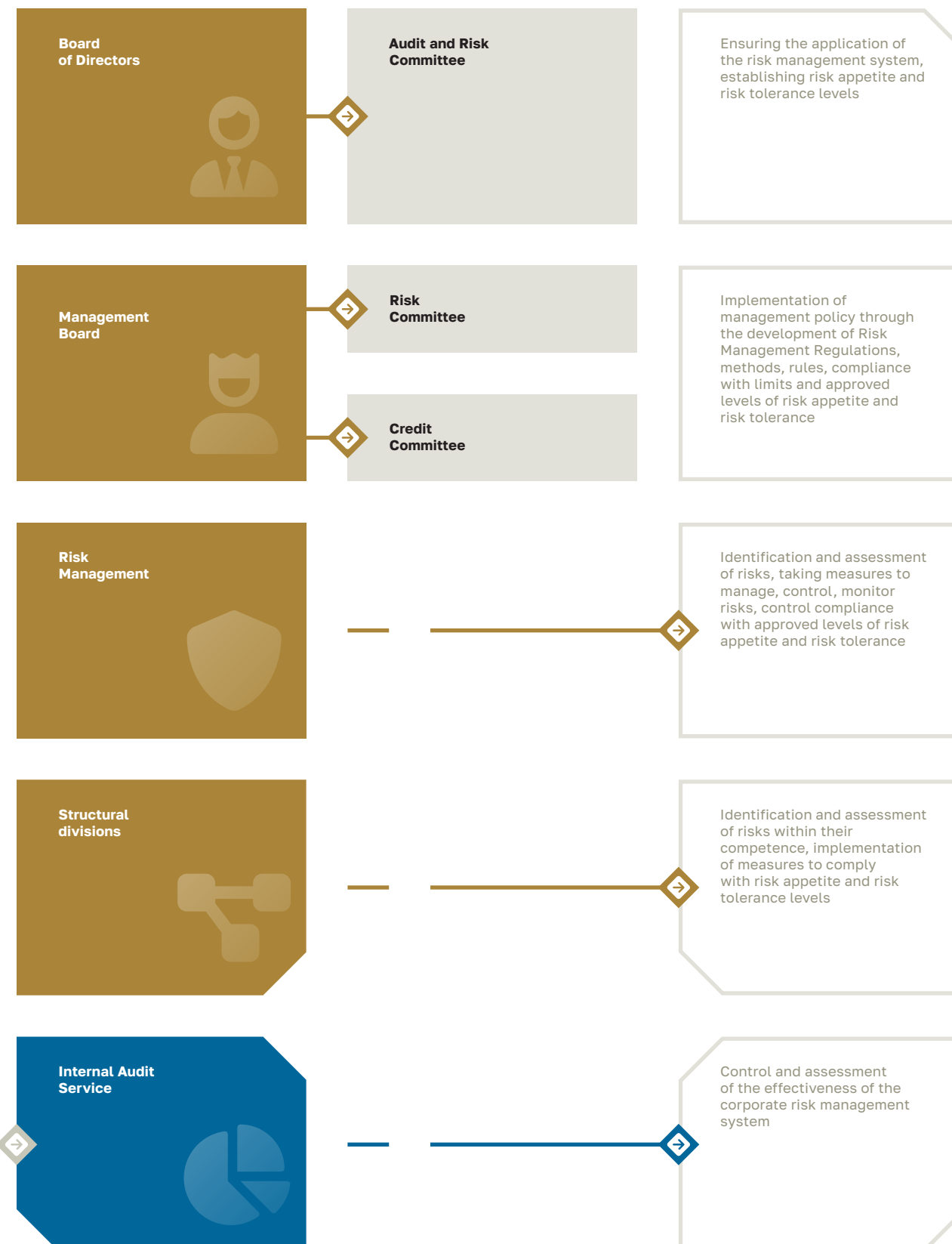
Awareness – risk management is accompanied by the availability of objective, reliable and up-to-date information

Continuity – the risk management process is carried out on an ongoing basis

Cyclicity – the risk management process is a constantly repeating, structured cycle of its main components

Structure – the integrated risk management system has a clear structure

ORGANISATIONAL STRUCTURE OF THE RISK MANAGEMENT SYSTEM



The structure of the RMS in the Company is represented by risk management at several levels with the involvement of the following bodies and divisions of the Company – the Board of Directors, the Management Board, the structural division responsible for risk management, the Internal Audit Service, and other structural divisions:

the first level is represented by the Board of Directors of the Company – it plays a key role in overseeing the RMS. The Board of Directors performs part of the functions in the field of

risk management through the creation of relevant committees under the Board of Directors – the Audit and Risk Committee;

the second level is the Management Board of the Company – it is responsible for organising an effective RMS and creating a risk control structure to ensure the implementation and adherence to corporate policies, for creating a culture of “risk awareness” (risk culture), which reflects the risk management policy and philosophy of the Company. The Management Board performs part of the functions in the field

of risk management through the creation of relevant committees – the Risk Committee and the Credit Committee;

the third level – the structural division of the Company responsible for coordinating the risk management system – the Risk Management Department in interaction with other structural divisions of the Company, the responsibility, powers and requirements of which are provided by the Risk Management Policy, Risk Management Rules, regulations on the structural division and job descriptions.

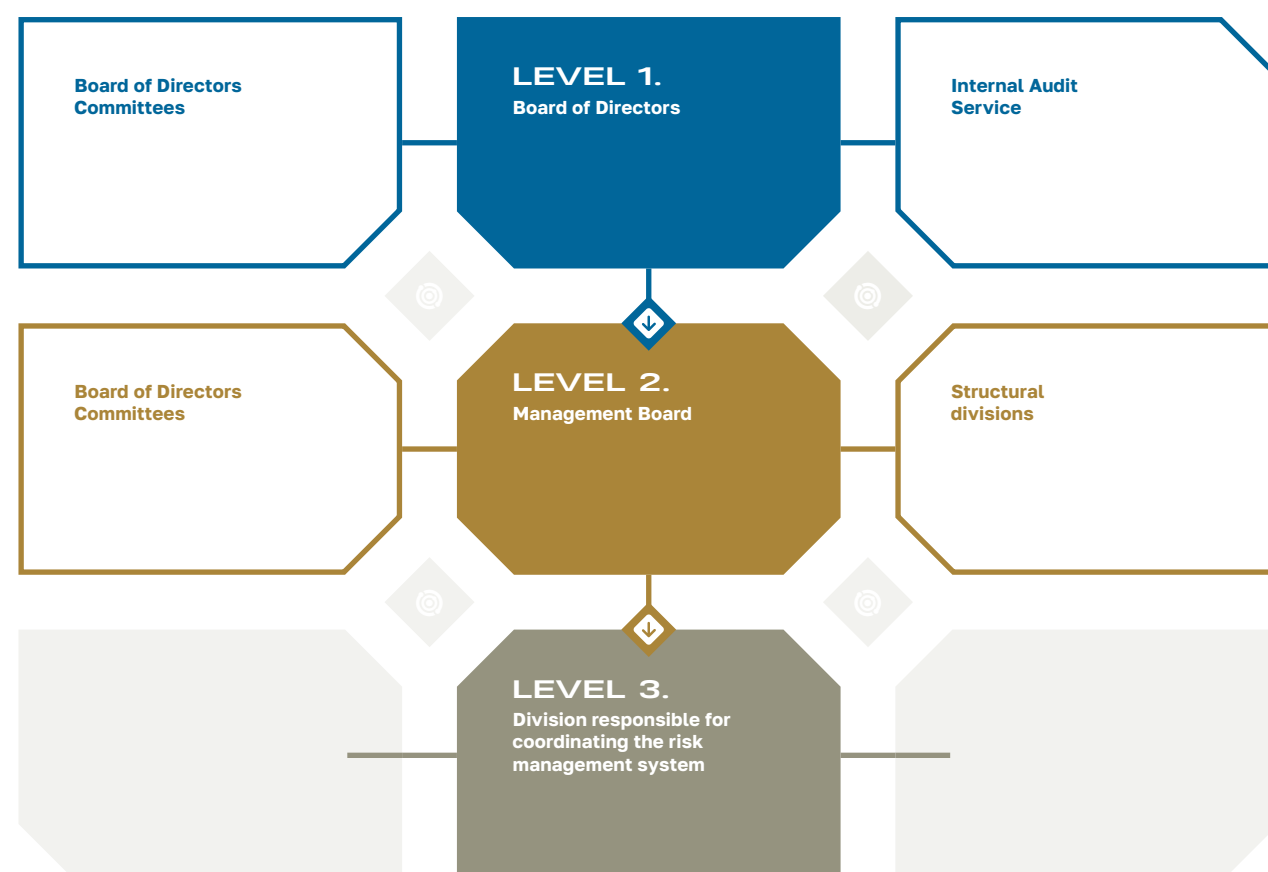
The Company's IAS performs the following main functions in the risk management process:

- ♦ audit of risk management procedures and risk assessment methodology, as well as development of proposals to improve the efficiency of risk management procedures;
- ♦ submission of a report on the assessment of the effectiveness of the RMS to the Company's Board of Directors, as well as, if necessary, a report on an independent assessment of the effectiveness of the risk management system.

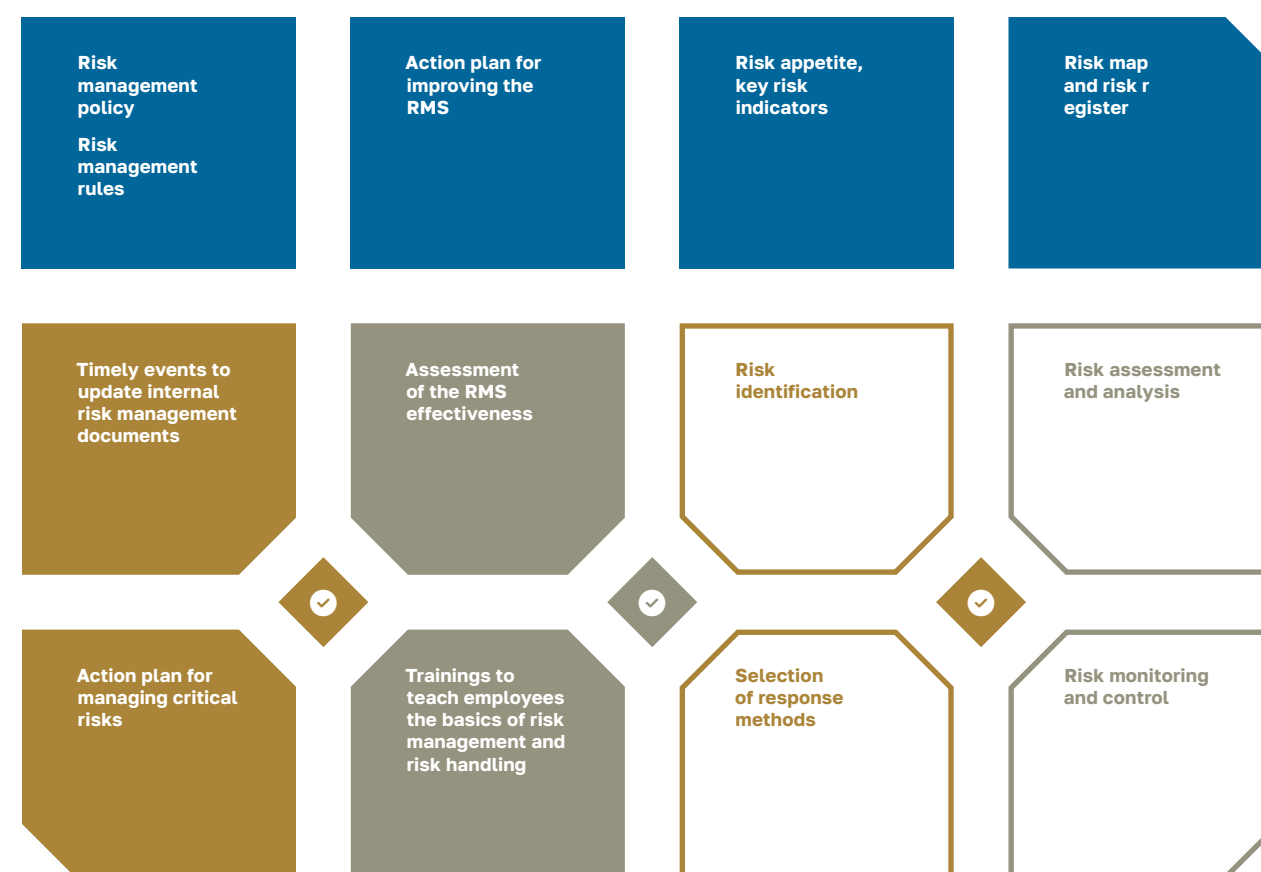
Thus, the structure of the RMS in the Company ensures an adequate flow of information – vertically and horizontally. At the same time, information coming from the bottom up provides the Board of Directors and the Management Board of the Company with information: on current activities, on risks accepted in the course of activities, their assessment, control, response methods and the level of their management. Information sent from the top down ensures the communication of goals, strategies and objectives by approving internal

documents, regulations and instructions. The transfer of information horizontally implies the interaction of structural divisions and other employees within the Company and the interaction of structural divisions responsible for coordinating the risk management system in the Company.

INTERNAL CONTROL SYSTEM



ARCHITECTURE OF THE COMPANY'S RMS ORGANISATION



The KazAgroFinance RMS is a set of interrelated components combined into a single process, within which the Board of Directors, the Management Board and the Company's employees, each at their own level, participate in identifying

potential negative events and opportunities that may affect the Company's operations, as well as in managing these events within the framework of a risk level acceptable to key stakeholders.

DEVELOPMENT OF THE RMS IN 2024

The Company has a formalised, detailed risk management system, which is designed to ensure clear identification, effective management and continuous monitoring of risks and is aimed at ensuring the stability of operations by limiting the impact of negative factors on the Company's operations.

In order to implement the systematic development and improvement of the corporate risk management system, the Company has conducted an assessment of the risk management system (the final RMS rating was 88%, which corresponds to the "mature" efficiency level). Based on the assessment results, a Plan of corrective and/or preventive actions based on the results of the assessment of the efficiency of the corporate risk management system has been approved and is being implemented.

The KazAgroFinance Risk Management System

Development Strategy has been developed and is being applied in practice, including the Action Plan for improving the corporate risk management system of KazAgroFinance.

In order to maintain the stability of development due to the high efficiency of the RMS development, as well as for the purposes of monitoring and control over compliance with the acceptable risk level, the Company is constantly working to improve the risk management system:

- ◆ conducting periodic assessment of the effectiveness of the RMS by the Internal Audit Office and/or an independent expert;
- ◆ control of risk factors that affect changes in risk appetite;
- ◆ monitoring risk appetite;
- ◆ development and updating of internal regulatory documents for all supporting business processes taking into account risks;
- ◆ automation of the risk assessment process;

- ◆ monitoring of communication channels as part of the formation and submission of reports on risk appetite;
- ◆ development of options for updating risk management tools (predictive analytics, stress testing, back testing, etc.);
- ◆ implementation of measures to improve the level of risk culture and the involvement of all its employees in the risk management process.

The Company regularly identifies risks, assesses them and develops risk management measures. The Company operates taking into account a wide range of risks associated with business and distributed by categories: strategic risks, credit risks, financial risks, operational risks, audit risks, legal risks, environmental risks, compliance risks, etc.

To ensure the effectiveness of the risk management and internal control system, improve risk communication between



structural divisions, the Risk Management Committee operates under the Company's Management Board, whose competence includes preliminary consideration of issues, including the risk register, risk map, risk and control matrix, risk appetite, tolerance levels for each risk and limits, key risk indicators.

The Company has implemented quarterly risk reporting for the Management Board and the Board of Directors of the Company. At the same time, the content of risk

information disclosed in risk reports provides the Board of Directors and the Management Board of the Company with information on the current state of risks and the measures taken to respond, changes in the control environment, significant deviations in the risk management process, and measures implemented to improve risk management and internal control.

The Company is interested in developing a risk-oriented culture of operations. The risk culture in the Company

is developed through the involvement of all its employees in the risk management process, as well as through regular information exchange between the Board of Directors, the Management Board and the employees of the Company.

88%

The final RMS rating was 88%,

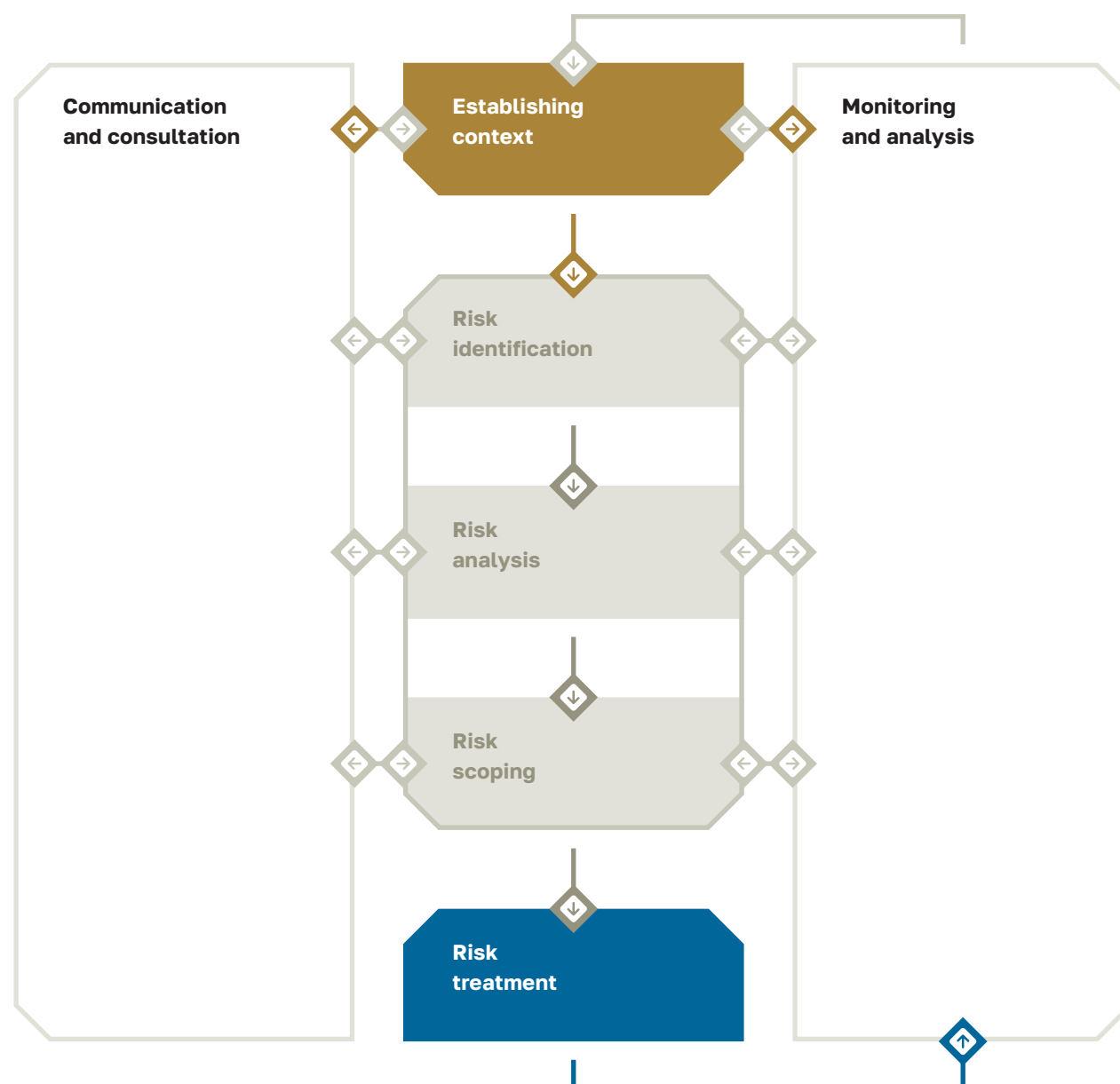
WHICH CORRESPONDS TO THE "MATURE" EFFICIENCY LEVEL

RISK ANALYSIS

Risk management is currently a key aspect in the activities of any organisation operating in a market economy. This is due to the fact that the risk

factor arises in various areas of activity and timely identification, analysis and adoption of an appropriate decision on the method of managing this or

that risk allows the company to avoid crisis phenomena and thus is both a protective mechanism and a factor in the company's success.



KazAgroFinance has a risk management system that is aimed at the ability to effectively influence risks and enables the Company to operate successfully, have financial stability, high competitiveness and stable profits.

The Company operates taking into account a wide range of risks associated with its core business and distributed into categories: strategic risks, sustainable development risks, credit risks, financial risks, operational risks, legal risks and compliance risks.

Based on the results of work on organising and coordinating the process of risk identification and assessment, as well as coordination with risk owners, the Company has formed a risk map and register, which is a tool containing information on all risks of the Company. The form and level of detail of the risk register may change with the development and improvement of the Company's RMS.

The risk register is reviewed, clarified and supplemented on a quarterly basis or more frequently as information on risks is received, provided by the structural divisions of the Company when identifying new

risks or changing the status of existing risks.

The risk register in the Company examines in detail all known risks and includes a description, category, cause, probability, impact on objectives, expected response actions, risk owners, current status, risk management activities indicating preventive/reactive.

The Company pays great attention to risks that may have the most significant impact on its financial position and the achievement of goals and objectives. Critical risk management plans are reviewed and approved quarterly by the Board of Directors of the Company within the framework of the risk map and register and are mandatory for all structural divisions of the Company.

Below is a description of the main key risks of the Company in the period of 2024.

Credit risk – increase in NPL level 90+

It is implemented through the recognition of financial losses and/or additional accrual of reserves (provisions) to cover possible financial losses on

the Company's financial assets arising from a decrease in the counterparty's solvency. The risk factor was the transition of the subsidising process in January 2023 from the Qoldau.kz system to a new platform.

Starting from January 2023, subsidising of the agro-industrial complex in all areas is carried out free of charge using the new state information system of subsidies (hereinafter referred to as GISS) on the gosagro.kz web portal. Today, GISS has functionality for all subsidy programs in which KazAgroFinance is a participant.

In order to reduce the risk, the Company has provided a number of preventive measures to minimise credit risk – increasing the NPL level of 90+:

- ♦ consideration of the possibility of providing technical restructuring in the event of a client request;
- ♦ consideration of the possibility of paying an advance using own funds, etc.

In general, the Company's effective credit risk management system allows it to maintain one of the best credit portfolio quality indicators among leasing companies. The credit portfolio quality control system includes the following activities:

- ♦ regular assessment and monitoring of credit risk, as well as measures to improve these processes;
- ♦ improvement of the system of internal credit requirements for the Company's borrowers and the proposed collateral;
- ♦ calculation and determination of credit risk limits established for groups of related parties, as well as for the level of authority of the Company's credit collegial bodies;
- ♦ improvement of procedures for managing the Company's problem assets, pre-trial and judicial collection procedures.

All projects under consideration and current projects undergo a centralised examination to determine credit risk, and measures to reduce the risk level are proposed.

In order to minimise the Company's credit risks, in 2024, measures were also taken to diversify the portfolio, improve the quality of application analysis, and monitor the financial condition of borrowers.

Strategic risk is the influence of the geopolitical situation on the financial and economic activities of the Company.

Over the past few years, the world and financial markets have experienced a long list of shocks. Among them are the coronavirus pandemic, the

economic downturn in China, rising energy prices, unrest in Iran and a number of other countries, global tightening of monetary policy and, finally, the conflict between the Russian Federation and Ukraine.

The risk of the influence of the geopolitical situation on the financial and economic activities of the Company is understood as the risk of disruptions in the supply of agricultural machinery due to the closure of borders and the introduction of sanctions. And to this day, there are difficulties in transporting equipment to Kazakhstan. All suppliers selling equipment manufactured in Ukraine to the Republic of Kazakhstan have major problems with delivery. Untimely deliveries of leased items occur as a result of the current geopolitical situation in the world, sharp fluctuations in exchange rates, disruption of supply chains and an increase in interstate sanctions.

In connection with the geopolitical situation in the world, the Company has developed a Business Continuity Plan, which includes measures to monitor the legislation of the Republic of Kazakhstan for strengthening control and taking measures to prevent/counter sanctions, to monitor various Internet resources to establish information on the imposition of sanctions on suppliers of agricultural machinery/equipment and their participants/shareholders/managers.

Operational risk

Events that could lead to the implementation of the risk included factors in the field of IT, administrative and economic activities, human factors, as well as external events.

In order to minimise operational risk, work was carried out on additional automation and configuration of information systems, timely provision of means and measures for the smooth functioning of the Company, training of employees, etc.

The Company uses the following methods of operational risk management in its work:

- ♦ formation of a database of operating losses;
- ♦ ensuring the necessary level of personnel qualifications, improving the level of personnel qualifications;
- ♦ automation of processes and technologies, especially in areas associated with large volumes of work.

In order to minimise this risk, constant monitoring of counterparty banks is carried out, limits are reviewed, and constant interaction with suppliers and clients is carried out.

Compliance risk

Events that could lead to the implementation of compliance risk included the application

of legal sanctions due to non-compliance with the requirements of the legislation of the Republic of Kazakhstan, regulatory legal acts of the authorised body, internal documents and procedures of the Company, as well as the legislation of foreign states that affect the activities of the Company and recognised by the Republic of Kazakhstan.

In order to minimise compliance risk, the Company monitored and controlled strict and unwavering compliance with the requirements of the

legislation of the Republic of Kazakhstan, the legislation of foreign states that affect the activities of the Company and recognised by the Republic of Kazakhstan, the internal rules and procedures of the Company and generally accepted norms of conduct.

Sustainability risks – environmental ESG risk

A detailed description of this risk is provided in the climate change section.



MARKETING ACTIVITIES

- 150 - Information policy
- 154 - Branding and PR activities

INFORMATION POLICY

Disclosure of information is one of the most important tools of the Company's interaction with stakeholders, contributing to the formation of long-term, transparent and trusting relationships with all stakeholders, as well as increasing the investment attractiveness of the Company.

KazAgroFinance strives to ensure high-quality disclosure of information for various stakeholders and to increase the level of transparency.

THE COMPANY'S PRINCIPLES OF DISCLOSURE:

1. Principle of regularity and timeliness of information disclosure – the Company's responsibility for meeting the deadlines and systematic provision of information stipulated by law and internal documents. The Company understands the importance of regularly providing information to stakeholders as a necessary condition for them to understand the Company's activities as a whole. Information is provided

In order to comply with the interests of stakeholders, the Company promptly and reliably discloses information stipulated by the legislation of the Republic of Kazakhstan, as well as information on activities, including financial condition, performance results, ownership and management structure.

The Company has approved and applies the Policy of Disclosure of Information on Activities, defining the goals and principles, forms and methods

in accordance with the fact of an event's occurrence according to its degree of significance and taking into account the timeliness of its public disclosure;

2. Principle of openness and accessibility of information – the Company's choice of such channels for disseminating information that are free, easy and low-cost, as well as the Company's

of disclosure of information, the circle of persons (bodies) responsible for disclosure of information, a list of publicly available information subject to disclosure to stakeholders, as well as a list of information constituting a commercial, official and other secret protected by law.

intention to ensure maximum transparency of information about its activities, taking into account compliance with the confidentiality regime with respect to information constituting commercial, official and other secrets protected by law;

3. Principle of reliability and completeness – the Company's responsibility to provide stakeholders

with information that is true and sufficient for a full understanding of the disclosed fact or event. The Company ensures that the information provided is not distorted by third parties, and if such a fact is discovered, it takes measures to eliminate distortions and errors.

The Company does not avoid disclosing negative information about itself if such information is not confidential and is capable of influencing the adoption of investment and other decisions by interested parties.

In addition to information, the disclosure of which is mandatory in accordance with the law, the Company provides information on its current and planned activities, as well as other information for a more complete understanding by all interested parties of the Company's activities;

4. Principle of balance – ensuring by the Company a reasonable balance of openness and transparency on the one hand and confidentiality on the other

hand in order to ensure maximum implementation of the rights of interested parties to receive information, but subject to strict observance of the interests of the Company, its Sole Shareholder in terms of restricting access to information constituting a commercial, official or other secret protected by law.

The principle of transparency and objectivity in disclosing information about activities is also enshrined in the Company's Corporate Governance Code. The main channels for disclosing information are:

- ♦ Internet resource of the Depository of Financial Reporting;
- ♦ Internet resource of the Kazakhstan Stock Exchange;
- ♦ Corporate website of the Company;
- ♦ Social networks Facebook, Instagram, Twitter.

KazAgroFinance provides the material and technical base for compliance with measures to protect confidential information in accordance with the legislation and internal regulatory documents of

the Company (in the form of various computer programs, mechanisms for access to premises, equipment for destroying documents, etc.).

The Company's Management Board ensures compliance with the confidentiality regime in order to protect confidential information constituting a commercial, official and other secret protected by law, to prevent possible damage from disclosure or unauthorised leakage of business information, to exclude facts of illegal use of information by any interested parties.

Protection of information constituting a commercial and official secret consists in prohibiting the disclosure of information among a certain or indefinite circle of persons who do not have access to them, in any form accessible for perception.

COMPLIANCE WITH LEGAL REQUIREMENTS

In 2024, the company was not held liable for anticompetitive behaviour, antitrust and monopolistic practices, or violation of environmental requirements.

PRODUCT LIABILITY

There were no cases of non-compliance of the services provided by the Company with the requirements of legislation on the health and safety of stakeholders during the reporting year.

MEMBERSHIP ASSOCIATIONS

KazAgroFinance has been a member of the Association of Financiers of Kazakhstan (hereinafter referred to as the AFK) since July 7, 2004. The AFK unites financial market participants, including banks, insurance organisations, mortgage and leasing companies, microcredit organisations, professional participants in the securities market, etc. The mission of the AFK is to protect and promote the growth of shareholder value of the association's members.

Since 2013, KazAgroFinance has been a member of the Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan (hereinafter referred to as the Atameken NCE). The Atameken NCE is a non-profit organisation. It was created

to strengthen the negotiating power of business with the Government of the Republic of Kazakhstan and government agencies.

The Chamber of Entrepreneurs represents the interests of small, medium and large businesses, covering all areas of entrepreneurship, including domestic and foreign trade. The main objective of the Atameken NCE is to protect the rights and interests of business and ensure broad coverage and involvement of all entrepreneurs in the process of forming legislative and other regulatory rules for business. In addition, since October 2016, KazAgroFinance has been a member of the Association of Taxpayers of Kazakhstan (since 2023 – the Association of Taxpayers of New

Kazakhstan). The Company regularly receives information on draft regulatory legal acts in terms of taxation and submits proposals for them.

Since November 11, 2022, the Company joined the National ESG Club. The National ESG Club is a platform where representatives of business, government and the public can exchange knowledge, experience and best practices in the field of sustainable development. The mission of the ESG Club is to become a leader in the field of sustainable development, create a favourable environment for the development of sustainable business and society, and draw public attention to important social and environmental issues.

Since November 11, 2022,
the Company

**JOINED
THE NATIONAL
ESG CLUB**

ESG



BRANDING AND PR ACTIVITIES

In 2024, to strengthen the positive image and inform clients about financing options, the Company conducted an extensive information campaign in the media and social networks.

During the year, press releases and information posts were posted on the official website of the Company and on pages on Facebook, Instagram, Telegram.

The first-launched program Preferential Leasing, which provides an opportunity to obtain equipment at 5%, as well as the programs Our Own Feed, Made in Kazakhstan, received wide coverage. Press releases were published on national Internet portals and in regional publications about new leasing conditions for agrodrones, about the pilot project of the digital tenge, with the help of which a farmer from the Akmola region purchased equipment, about the introduction of artificial intelligence to recognise leased items, etc.

In 2024, 5 press tours were held to the enterprises of the Company's clients in the Pavlodar,

Turkestan, East Kazakhstan and Kyzylorda regions, as well as at the specialised exhibition Kazakhstan Field Day Jana Dala/Green Day, where the Company's management acted as consultants. Journalists recorded an interview with the Chairman of the Board of the Company A.Prashev, heads of peasant and farming enterprises asked questions of interest to them, talked about their needs.

As part of maintaining social network, the key indicators of the Company's accounts in social networks have noticeably increased, so the number of

subscribers increased by 2000 accounts, coverage increased to 32 thousand accounts.

Interviews of the Company's top managers were organised in the media: 24.kz, Qazaqstan, Zhibek Zholý, Nur.kz, Atameken Business and others.

The Company's employees took part in a creative evening dedicated to Abai Day, performing famous works by Abai Kunanbayuly in national costumes. A video with their participation was published on the Company's official page in social networks.

In 2024, the Company traditionally participated in key agricultural exhibitions in Kazakhstan: AgriTek/FarmTek Astana 2024, Jana Dala/Green Day 2024 and KazAgro/KazFarm 2024.

During the exhibitions, the Company's employees held consultations for farmers and representatives of agricultural enterprises on leasing issues, available financing programs and product conditions, and also answered current questions of the agricultural business.



SUSTAINABLE DEVELOPMENT

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- 165 - Stakeholder engagement report
- 178 - Economic impact
- 181 - Social responsibility
- 199 - Sponsorship and charity
- 200 - Environmental impact
- 203 - Climate change

MESSAGE FROM THE CHAIRMAN OF THE BOARD

ON SUSTAINABLE DEVELOPMENT

**Dear colleagues
and partners!**

KazAgroFinance consistently develops sustainable development practices, integrating economic, environmental and social principles into its activities.

In 2024, the Company continued to work on improving operational efficiency, digitalising processes, developing agricultural

machinery leasing and expanding access to financing. This made it possible to contribute to solving the problems of food security and increasing investment in the agro-industrial complex.

The Company supports the implementation of 17 UN Sustainable Development Goals, attaching particular importance

to employment, labour safety, gender equality, environmental responsibility and stakeholder engagement.

KazAgroFinance will adhere to the principles of sustainable development, maintaining a commitment to high standards and creating long-term value for all our stakeholders.

**Chairman of the Board
of KazAgroFinance**

Aydar Prashev

The Company supports the implementation of

**17 UN SUSTAINABLE
DEVELOPMENT
GOALS**

SUSTAINABLE DEVELOPMENT POLICY



KazAgroFinance strives for harmonious management of the economic, environmental and social aspects of its activities to ensure sustainable development in the long term.

In solving problems in the field of sustainable development, the Company relies on its mission, the provisions of the KazAgroFinance Development Strategy, and also uses international norms of conduct and principles enshrined in international standards in the field of sustainable development.

The Company considers the use of international standards in the field of sustainable development as a necessary condition for ensuring compliance of its activities with the best international practices and achieving goals and objectives in the field of sustainable development.

The Company is guided by the Sustainable Development Policy approved by the decision of the Board of Directors dated June 30, 2021 No. 7. The policy defines the fundamental

principles and approaches in building a management system in the field of sustainable development.

Sustainable development in the Company consists of three component categories: economic, environmental and social, aspects of which are taken into account by the GRI Standards.

The economic component of sustainable development contains the following goals:

- ♦ break-even point of operations;
- ♦ ensuring the interests of the Sole Shareholder and investors;
- ♦ increasing the efficiency of processes;
- ♦ growth of investments in agriculture.

The environmental component of sustainable development contains the following goals:

- ♦ minimisation of impact on biological and physical natural systems;
- ♦ optimal use of limited resources;

- ♦ application of environmentally friendly, energy- and material-saving technologies.

The social component of sustainable development is focused on the principles of social responsibility and includes the following goals:

- ♦ ensuring transparent competitive procedures and equal opportunities in hiring;
- ♦ fair remuneration and respect for workers' rights;
- ♦ ensuring labour safety and maintaining workers' health;
- ♦ training and professional development of workers;
- ♦ implementation of internal and external social programs.

The company analyses its activities in these three aspects and strives to prevent or reduce the negative impact of its activities on stakeholders. KazAgroFinance supports and recognises the importance of all 17 UN Sustainable Development Goals (hereinafter referred to as SDGs) and strives to make a significant contribution to achieving the SDGs.

As part of its activities, the Company achieves the following Sustainable Development Goals:

SDG 1.

End poverty in all its forms everywhere

- ♦ implementation of initiatives aimed at increasing the availability of financial services
- ♦ charity and sponsorship

SDG 2.

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

- ♦ The Company provides assistance in technical equipment of the agro-industrial complex by providing leasing services for the acquisition of agricultural machinery and equipment. Thus, through the technological renewal of the agro-industrial complex with high-performance equipment, the Company has a significant impact on food security

SDG 3.

Ensure healthy lives and promote well-being for all at all ages

- ♦ creation of safe working conditions and maintaining the health of the Company's employees
- ♦ social support for employees

SDG 5.

Achieve gender equality and empower all women and girls

- ♦ creation of equal working conditions and career opportunities
- ♦ ensuring an equal system of performance evaluation and remuneration

SDG 8.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- ♦ growth of investment in agriculture
- ♦ development of business in the agro-industrial complex by providing leasing services

SDG 12.

Ensure sustainable consumption and production patterns

- ♦ Improving the energy saving culture
- ♦ Reducing resource consumption (energy consumption, water consumption)
- ♦ Optimising paper document flow through automation of the Company's business processes

SDG 15.

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

- ♦ KazAgroFinance leases only new modern agricultural machinery, which, compared to outdated worn-out equipment, has less negative impact on the environment (reduced emissions of harmful substances into the atmosphere and soil pollution as a result of petrochemical waste during operation). Accordingly, the Company's portfolio does not include green/sustainable projects and calculations of the share of such projects are not conducted.

SUSTAINABLE DEVELOPMENT (ESG)

UN Sustainable Development Goals:

End poverty in all its forms everywhere



End hunger, ensure food security, improve nutrition and promote sustainable agricultural development



Ensuring healthy lifestyles and promoting well-being for all at any age



UN Sustainable Development Targets:

Establish robust policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication activities

Take measures to ensure proper and functioning markets for food and processed products and facilitate timely access to market information, including on food reserves, to help limit excessive volatility in food prices

Ensuring universal health coverage, including financial risk protection, access to quality essential health services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Company Contribution:

- ♦ implement initiatives aimed at increasing the availability of financial services
- ♦ philanthropy and sponsorship

The company provides assistance in technical equipment of the agro-industrial complex by providing leasing services for the acquisition of agricultural machinery and equipment. Thus, through the technological upgrading of the agro-industrial complex with high-performance equipment, the Company has a significant impact on food security

- ♦ creating safe working conditions and maintaining the health of the Company's workers
- ♦ social support for workers

SUSTAINABLE
DEVELOPMENT (ESG)UN Sustainable
Development Goals:

Ensuring gender equality and empowerment of all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

UN Sustainable
Development Targets:

Ensuring the full and effective participation of women and equal opportunities for them to lead at all levels of decision-making in political, economic and public life. Eliminate all forms of discrimination against all women everywhere

Achieve increased productivity in the economy through diversification, technological upgrading and innovation, including by focusing on high value-added and labour-intensive sectors

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and development of micro, small and medium enterprises, including through access to financial services

Company
Contribution:

- ♦ creating equal working conditions and career opportunities
- ♦ ensuring an equal performance appraisal and remuneration system

- ♦ Increase investment in agriculture
- ♦ Develop business in the agro-industrial complex by providing leasing services

SUSTAINABLE
DEVELOPMENT (ESG)UN Sustainable
Development Goals:

Ensure sustainable consumption and production patterns



Protect and restore terrestrial ecosystems and promote their sustainable use, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss

UN Sustainable
Development Targets:

Achieve increased productivity in the economy through diversification, technological upgrading and innovation, including by focusing on high value-added and labour-intensive sectors

By 2030, significantly reduce the volume of waste through measures to prevent its formation, reduce, recycle and reuse

Company
Contribution:

- ♦ Improving the culture of energy conservation
- ♦ Reducing resource consumption (energy consumption, water consumption)
- ♦ Optimisation paper document flow through automation of the Company's business processes

KazAgroFinance leases only new modern agricultural machinery, which, compared to outdated worn-out machinery, has less negative impact on the environment (the amount of harmful emissions into the atmosphere and soil pollution as a result of petrochemical waste during operation is reduced)

Sustainable development management in the Company is carried out within the framework of the general management system of the Company's activities and is an integral part of it.

The Board of Directors exercises strategic management and control over the implementation of sustainable development. The mechanism of interaction with stakeholders is disclosed in the section Report on interaction with stakeholders.

Information on the implementation of the task in the field of sustainable development of the Company is reviewed and approved by the Board of Directors as part of the review of reports on the implementation of the development plan and the development strategy of the Company.

The Management Board approves the relevant action plan in the field of sustainable development, as well as amendments, additions

and monitors its implementation. The Management Board is responsible for coordinating activities in the field of sustainable development. The head of the structural division of the Company supervising the area of activity in the field of sustainable development is responsible for ensuring management of the Policy.

The structural divisions of the Company implement activities in the field of sustainable development.

All employees and officials at all levels contribute to the sustainable development of the Company.

As part of the implementation of the action plan for sustainable development, the following activities were completed:

- ♦ in order to optimise paper document flow and transfer individual office work processes to electronic format, the following work was done:
 - ♦ automation of budget requests;
 - ♦ digitalisation of employee applications, signing with an electronic digital signature.
- ♦ a wastepaper collection point was set up in the building of the Company's Central Office, so in 2024, 130 kg of waste paper was transferred to specialised enterprises;

- ♦ transparency of the competitive selection of candidates and equal opportunities in hiring were ensured. In particular, the selection of candidates for vacant positions of the Company is carried out using competitive selection procedures by holding an internal and external competition using equal criteria for evaluating candidates, so in 2024, 71 publications about vacancies were posted on the Company's corporate Internet resource;
- ♦ training of the Company's employees was conducted. According to the results of 2024, 532 employees completed training and advanced training courses, including 3 employees who completed training on the topic of sustainable development/ ESG. Professional trainers are involved in the training, the training was provided both offline and online;
- ♦ to provide the Company's employees with medical insurance, on December 7, 2024, a voluntary medical insurance agreement was concluded with JUSAN GARANT Insurance Company JSC for 2025–2026.

Sustainable development management in the Company is carried out within the framework of the general system of business management and is an integral part of it.

STAKEHOLDER ENGAGEMENT

REPORT

The Company influences and is influenced by stakeholders in the course of its activities.

Identifying stakeholders and working with them is one of the tools that allows you to improve the business reputation, the capitalisation of the Company, and establish effective and balanced relationships with all stakeholders.

Stakeholders can have both a positive and negative impact on the Company's

activities, namely, on the effective implementation of the development strategy, sustainable development, reputation and image, and create or reduce risks. The Company pays serious attention to proper interaction with stakeholders.

KazAgroFinance uses international standards for identifying and interacting with stakeholders when identifying stakeholders and interacting with them.

In order to determine the list of stakeholders, the degree of their influence and areas of influence on the interests of the Company, the Stakeholder Map of the Company has been approved.



In 2024

71

publications about vacancies were posted on the Company's corporate Internet resource

The Company defines 3 (three) groups of stakeholders depending on the area of impact:

- 1. area of authority and responsibility** (Sole shareholder, governing body, management and personnel);
- 2. area of direct influence** (government bodies and regulators, investors, financial institutions, suppliers, partners, clients, consumers, auditors, creditors and consulting organisations);
- 3. area of indirect influence** (population, public organisations, mass media, competitors and credit rating agencies).

The company takes measures to build an effective dialogue and long-term cooperation with stakeholders.

Interaction with stakeholders is regulated by both regulatory legal acts and internal corporate documents.

The process of interaction with stakeholders is based on the principle of involvement, which implies taking into account the interests of stakeholders at all stages of the process of managing activities and involving stakeholders in the discussion of significant topics and important issues, potential risks and boundaries of responsibility.

Involvement is achieved by observing the following three principles:

- ♦ **materiality:** identifying material interests for both the Company and stakeholders;
- ♦ **comprehensiveness:** awareness and understanding of the material consequences of its activities, the opinions and needs of stakeholders in connection with the Company's activities, as well as their expectations;
- ♦ **response:** objective response and taking adequate measures on issues that are material to stakeholders.

Participation of all stakeholders in the observance of common interests is a fundamental condition for the successful operation of the Company.

Effective interaction with stakeholders will allow:

- ♦ combine resources (knowledge, personnel, money and technology) to solve problems and achieve goals;
- ♦ evaluate the external environment, including market development, and identify new strategic opportunities;
- ♦ improve business processes;
- ♦ pursue a policy of openness and transparency of activities.

The main mechanisms for interaction with stakeholders:

- ♦ contracts, agreements, cooperation agreements;
- ♦ business meetings and presentations;
- ♦ corporate communications system;
- ♦ joint working groups;
- ♦ hotlines for employees and clients;
- ♦ surveys and research of the opinions of employees, consumers, local communities;
- ♦ membership in associations;
- ♦ conferences, round tables;
- ♦ reporting.

The executive body of the Company and its structural divisions directly interact with stakeholders within the scope of their powers and competence. The Board of Directors exercises control and supervision functions over the process of interaction between KazAgroFinance and stakeholders.

The Company has identified internal and external stakeholders and analysed their requirements and expectations.

Stakeholders	Requirements and expectations	How do we interact?	What do we do?
Consumers (borrowers), clients are the key stakeholder of the Company. KazAgroFinance is interested in expanding its client base and improving the quality of services provided.	Increasing the range of equipment offered. Simplifying the procedures for obtaining the Company's services. Reducing the interest rate. Reducing the review period. Improving the quality of service by the Company. Obtaining financing. Consulting assistance in forming a package of documents. Timely maintenance and replenishment of the official website of the Company with the information necessary for consumers. Increasing the availability of information about services, offers, promotions. Increasing the number of branches in other cities.	Availability of a structural unit for working with clients. Improvement of business processes and their automation. Availability of feedback on the corporate website.	Increasing the availability of services and customer satisfaction is an important area of the Company's development. We continue to work on improving the product line to create the most effective tools. The Company's corporate website operates the "Callback" service. There is a "Hotline" communication channel.

2

Stakeholders

Requirements
and expectationsHow do
we interact?What do
we do?

Suppliers.
Building partnerships
is one of the main
tasks of effective
interaction.

Conclusion and
maintenance of long-
term partnerships.

Increase in the
volume of purchased
machinery and
equipment.

Full and timely receipt
of payment for goods
and services according
to the agreed terms.

Accurate description
of the brand, model
of the requested
lease item and its
specification.

Formation of mutually
beneficial partnerships
by concluding
contracts and
fulfilling contractual
obligations.

Availability of a
procurement system.

Participation in forums,
exhibitions.

Implementation of joint
projects.

The Company annually
participates in
international and
domestic exhibitions
and takes part in
forums.

The Company's
requirements for
suppliers of leased
items are uniform for
all and are posted
on the Company's
website, which
simplifies the process
of interaction with the
Company for suppliers.

The procedure for
purchasing leased
items by the Company
is carried out in
accordance with
approved internal
documents.

For the convenience of
clients in finding the
necessary suppliers, a
database of suppliers of
agricultural machinery
with whom the Company
has experience of
cooperation is published
on the Company's
corporate website www.kaf.kz.

The Company ensures
transparency of the
system of work with
suppliers and is open
to feedback, ensures
timely consideration and
settlement of claims and
lawsuits from suppliers.

3

Stakeholders

Requirements
and expectationsHow do
we interact?What do
we do?

Creditors/Investors.
The company adheres
to a transparent policy
towards investors,
is interested in
maintaining long-term
trusting relationships
with its creditors/
investors and
establishing new ones.

Investment security,
solvency and
profitability of the
Company with
subsequent receipt of
profit.

Compliance and timely
fulfilment of assumed
obligations.

The presence of a
structural unit that
carries out work to
attract investors/
creditors, monitoring
the fulfilment of
accepted obligations.

Participation in
bilateral, trilateral
business negotiations.

Signing of agreements,
memorandums.

The Company's
Borrowing Department
works to interact with
investors/creditors to
ensure uninterrupted
financing of the
Company's activities
by attracting funding
through various
financial instruments.
It also ensures the
fulfilment of assumed
obligations.

The Company
adheres to a policy of
diversifying funding
sources and expanding
the investor base and
has a wide investor
base with whom it has
been cooperating for
many years.

Effective capital and
asset management
allows the Company to
maintain a high level
of financial stability,
which is confirmed
by ratings from rating
agencies.

4

Stakeholders**Requirements
and expectations****How do
we interact?****What do
we do?**

Government bodies and regulators are strategically important institutions of the country. The company responsibly complies with the requirements of the law.

Carrying out the Company's activities in accordance with the law, fulfilling requirements and standards.

Timely payments to the budget.

Fulfilment of orders based on the results of inspections.

Compliance with legal requirements.

Availability of a separate structural unit that interacts with regulatory authorities.

Timely consideration of requests and execution of orders.

The internal control system ensures effective supervision of financial and economic activities and is aimed at achieving the Company's goals and minimising risks in the implementation of activities.

5

Stakeholders**Requirements
and expectations****How do
we interact?****What do
we do?**

Competitors (leasing companies). The company respects its competitors and adheres to the principles of fair competition.

Adherence to the principle of fair competition in accordance with the Code of Corporate Governance, the Code of Business Ethics. Monitoring and analysis of the market.

Conducting an analysis of the competitive environment.

Adherence to the principle of fair competition.

The company actively interacts with other leasing organisations and, for its part, does everything possible to develop the industry in Kazakhstan so that this type of financing becomes increasingly popular in the interests of all market participants.

The company conducts marketing research and analytical reviews to study the sectors of the agro-industrial complex, including in accordance with regional specifications and in the areas of the Company's activities, as well as in the market of leasing and other financial services in Kazakhstan.

6

Stakeholders

Requirements
and expectationsHow do
we interact?What do
we do?

Organisations that carry out external audit
(Accounting Committee, independent auditor, etc.). External assessment institutions are one of the key elements in the list of stakeholders.

Efficient use of cash and other assets of the Company.

Compliance with legislation, international and national standards.

Availability of a structural division that interacts with the party.

Conclusion of contracts for the provision of consulting and audit services.

The Company has an effective financial management and risk management system that allows for timely identification, reliable assessment and minimisation of credit, currency, price and liquidity risks.

An independent audit of financial statements is conducted annually. The financial statements reliably reflect the financial position of the Company in all material respects, as well as its financial results and cash flow for the year, in accordance with International Financial Reporting Standards (IFRS).

Internal control and internal audit services are in place.

7

Stakeholders

Requirements
and expectationsHow do
we interact?What do
we do?

Sole Shareholder, management bodies (Board of Directors, Management Board). Ensuring the interests of the Sole Shareholder is one of the Company's priorities.

Increase in profitability and value of the Company.

Security of investments.

Contribution to the economy.

Creation of potential for the Company's future development.

Stable growth and development of the Company, achievement of target indicators.

Ensuring the rights of the Sole Shareholder within the framework of the Charter, the Code of Corporate Governance of the Company.

Implementation of decisions of the Sole Shareholder.

Provision of reliable information on the results of financial and economic activities in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter, internal documents.

The expansion of the scale of activities within the framework of support for farmers and high-quality financial management have a positive impact on the financial performance of the Company. Continuous improvement of corporate governance and the decision-making system is an important strategic direction of the Company's development, ensuring its effectiveness and efficiency. At the same time, the key components of the corporate governance system are the protection of the rights of the Sole Shareholder and accountability.

Stakeholders

Requirements and expectations

How do we interact?

What do we do?

Employees – the Company's most important asset and the basis for its effective operation.

Stable and timely payment of wages and bonuses.

Satisfactory social package, comfortable and safe working conditions (working hours, vacations), observance of the legal rights of employees.

Opportunity for career growth and advanced training.

Conclusion of employment contracts with employees.

Performance of job responsibilities aimed at achieving the goals and objectives of the Company.

Consideration by the Conciliation Commission of complaints about labour relations practices and holding negotiations.

Communication with employees is also carried out by sending out corporate mail.

The company ensures the implementation of an open and transparent personnel policy aimed at the formation of qualified and motivated personnel.

Employees are provided with equal opportunities to realise their potential in the process of work, impartial and fair assessment of the results of their work. Selection and career growth of employees solely on the basis of professional skills, experience and knowledge.

COMPLAINTS AND REPORTING

MECHANISM

The Company adheres to the principle of transparency in its operations and is open to feedback. The Company's activities in this area are one of the priorities.

In order to ensure economic and information security and combat corruption, feedback has been

organised with the population, borrowers and lessees of the Company.

Queries are an indicator by which weak points in the Company's operations are determined; this is a signal to take immediate measures to eliminate violations and the causes that contribute to them.

The Company received 587 queries from individuals and legal entities, including requests from NMH Baiterek JSC and other government agencies. Of the total, 1.2% were complaints and 2.7% were suggestions.



SCHEME OF HANDLING APPEALS

Procedure for processing appeals and requests related to appeals

Responsible structural unit (upon receipt of an appeal by the Branch – the Branch office)

Managing Director (upon receipt of an appeal to the Branch – the Branch Manager)

Compliance Service

Structural unit (upon receipt of an appeal to the branch – a branch's employee)

Employee, unit (branch) whose actions are being appealed

Addressee (applicant, state body or organization)

Reception, registration, accounting, issuance of a coupon, if necessary

Referral to the Chairman of the Management Board\Deputy Chairman of the Management Board\Managing Director\Branch Director and Compliance Service

Sending a response to the addressee in paper or electronic form

Transfer for execution subject to clause 162 of the Rules

Signing the response

Familiarization, participation in consideration

Approval of the response

Consideration subject to clause 160 of the Rules

Request for information (explanations, documents)

Preparing a draft response

Provision of information (explanations, documents)

Provision of information (explanations, documents)

Motivated response

In order to ensure proper functioning of the Company's hotline as a tool for identifying compliance risks in the activities of the Company and its employees (including anti-corruption monitoring), the Company has the following channels:

1. a separate telephone number +7 (7172) 580-411 has been allocated for the hotline. Calls to the hotline are made without the need to dial an internal number, wait for an operator to answer, automatic forwarding to responsible persons has been configured;

2. delivery of messages to the hotline's e-mail has been configured – hotline@kaf.kz. Messages are simultaneously sent to the corporate e-mail of the Anti-Corruption Compliance Service;

3. a form for sending messages to the e-mail of the Anti-Corruption Compliance Service has been configured on the corporate website.

These measures are aimed at the timely detection and

prevention of offenses through the Anti-Corruption Compliance Service's control over requests through all available channels of proactive reporting.

Each received message or request is subject to consideration in the

manner regulated by the internal regulatory documents of the Company.

If negative impacts are identified, the Company is ready to take the necessary measures to eliminate them.

ECONOMIC IMPACT

ECONOMIC VALUE CREATED

The activities of KazAgroFinance are aimed at supporting the development of the agricultural sector of the Republic of Kazakhstan by providing access to financial resources for agricultural producers, as well as agricultural enterprises on a leasing basis.

The Company has a direct positive impact on the economy

of the Republic of Kazakhstan through the following instruments:

1. leasing of agricultural equipment;
2. payment of taxes and other payments to the budget;
3. procurement of goods, works and services to ensure the Company's activities;
4. payment of wages to the Company's employees.

In addition, the Company's activities have an indirect positive impact due to the results of the activities of agricultural producers who have received financing from the Company: payment of taxes and fees, receipt of wages, organisation of additional jobs, and production output.

Economic value created and distributed, million KZT

Item	2024	2023	Change 2024 to 2023, %
Direct Economic Value Created:			
Revenues	91,252	72,697	25.52%
Distributed Economic Value:			
Operating Expenses	2,027	1,743	16.29%
Wages	4,038	3,064	12.04%
Interest Expense	40,453	34,501	17.25%
Taxes Other Than Income	342	321	6.54%
Corporate Income Tax	(1,723)	2	-86 250%
Other Expense	25,770	13,598	89.51%
Retained Economic Value	20 345	18,928	7.49%

TAX POLICY

The Company has a Tax Accounting Policy developed in accordance with the requirements of Article 191 of the Tax Code of the Republic of Kazakhstan. According to the Company Charter, approval of the Tax Accounting Policy falls within the competence of the Management Board. Changes to the Company's Tax Accounting Policy are made as changes occur in tax legislation. The Company adheres to the position of strict compliance with the norms of tax legislation. Responsibility for compliance with the norms of the Company's Tax Accounting Policy is assigned to the Chairman of the Management Board and the Chief Accountant.

The Company constantly assesses risks in terms of taxation when concluding new, non-standard transactions,

analyses the impact of changes in legislation on the Company's current transactions. Risk assessment is carried out in accordance with the system of operational and financial risks adopted by the Company. On an annual basis, the Company approves a Risk Map, which reflects the degree of influence of tax risks. KazAgroFinance has been a taxpayer subject to monitoring by large taxpayers since 2009.

Tax monitoring of large taxpayers is carried out by analysing the financial and economic activities of taxpayers in order to determine their real taxable base, control over compliance with the tax legislation of the Republic of Kazakhstan and the applied market prices in order to exercise control over transfer pricing.

Information on the movement of deferred taxes and the amount of corporate income tax is disclosed in the Company's financial statements.

We note that the Company is a member of the Association of Taxpayers of New Kazakhstan and regularly receives information on draft regulations in terms of taxation and sends proposals on them.

Also, if necessary, the Company interacts with the Atameken National Chamber of Entrepreneurs regarding planned changes to tax legislation.

PROCUREMENT PRACTICE

The Company strives to timely provide the central office, branches and clients with quality goods, works and services necessary for conducting operational activities. At the same time, KazAgroFinance attaches great importance to an effective and transparent procurement system.

The implementation of procurement procedures in the Company is based on the following principles:

1. optimal and efficient spending of funds used for procurement;
2. openness and transparency of the procurement process while respecting the rights

- and (or) legitimate interests of suppliers to commercial secrets (before summing up the tender results);
3. fair competition among potential suppliers, prevention of collusion between procurement participants;
 4. responsibility of procurement participants;

5. prevention of corruption;
6. providing support to domestic manufacturers of goods, as well as domestic suppliers of works and services to the extent that this does not contradict international treaties ratified by the Republic of Kazakhstan;
7. acquisition of innovative and high-tech goods, works, services;
8. providing potential suppliers with equal opportunities to participate in the procurement procedure, except for cases stipulated by this Law;

9. respecting the rights to intellectual property contained in the purchased goods.

The Company conducts purchases in real time and provides participants with access to an electronic format for making civil law transactions for the acquisition of goods, works and services with certification of legal actions by an electronic digital signature. The portal provides an equal opportunity for all potential suppliers to participate in the Company's competitive

purchases. Purchases are made on the Eurasian Electronic Portal: eep.mitwork.kz.

In 2024, the actual volume of purchases of goods, works and services (excluding lease items) amounted to 1,310.42 million KZT (including VAT), 567 contracts were concluded, while the share of local content in the purchased GWS was 82.16%.

Volume of purchases
of goods, works and
services in 2024, %



76% ... Services
13% ... Goods
11% ... Works

Purchase volume in 2024

Method of procurement	Amount, thousand KZT
Tender	813,783.24
Request for price proposals	312,512.90
From one source by direct conclusion of a contract	119,856.03
Electronic store	0.00



SOCIAL RESPONSIBILITY

PERSONNEL POLICY

The Personnel policy is a comprehensive long-term strategy for staff management, the main goal of which is to strengthen the organisation's position, requiring sustainable development of highly professional and mobile labour resources sufficient to fulfil the set strategic tasks.

The Personnel policy objectives aimed at achieving the set goal:

1. Ensuring that the right people are available to achieve the goals while respecting the principles of diversity and inclusion;
2. Improving the level of employee competence to ensure the development of human capital, especially in terms of digital skills;
3. Increasing and maintaining the level of engagement and productivity of employees;
4. Digitalisation of HR processes, including the process of selection and hiring, performance assessment, as well as development and training;

5. Setting up and calibrating the performance management process;
6. Developing corporate culture.

Main directions of personnel policy:

- ♦ Strategic HR planning;
- ♦ Organisational development and job design;
- ♦ Personnel selection and adaptation;
- ♦ HR marketing and employer branding;
- ♦ Performance management;
- ♦ Personnel remuneration;
- ♦ Personnel training and development;
- ♦ Personnel reserve and talent management;
- ♦ Development and maintenance of corporate culture;
- ♦ HR process administration.

By the decision of the Company's Management Board dated September 30, 2022, No. 34, the Rules for the provision of social support to the Company's employees were approved, and by the decision

of the Company's Management Board dated June 15, 2023, No. 15, and April 5, 2024, No. 13, amendments and additions were made.

Social support is provided to the Company's employees in order to create favourable conditions for their effective work, as well as to retain and attract highly qualified employees.

The Company provides the following types of social support to the Company's employees:

1. financial assistance:

- ♦ for health improvement upon provision of paid annual leave with payment in the amount of 2 official salaries;
- ♦ in connection with marriage with a one-time payment in the amount of 50 (fifty) MCI;
- ♦ in connection with the birth of a child/adoption of children with a one-time payment in the amount of 100 (one hundred) MCI;



- ♦ in connection with maternity leave, paid with retention of the average salary minus the amount of social payment in case of loss of income due to pregnancy and childbirth, adoption of a newborn child (newborn children), carried out in accordance with the legislation of the Republic of Kazakhstan on compulsory social insurance;
- ♦ in connection with leave for employees who have adopted a newborn child (newborn children) with a one-time payment in the amount of 100 (one hundred) MCI;
- ♦ in connection with the treatment/operation of the employee or persons who are members of his family with the payment of financial assistance in the amount of 100 MCI;
- ♦ in connection with the death of the employee with a one-time payment to one of the family members or, in the absence of such, to the person who has undertaken

to organise the funeral in the amount of 400 (four hundred) MCI, in the event of the death of the spouse/ children, parents of the employee - in the amount of 300 (three hundred) MCI for one spouse/-s, child, parent of the employee;

2. voluntary health insurance program (health insurance).

Employees and their family members are provided with medical insurance at the expense of funds allocated in the Company's budget in accordance with the voluntary medical insurance program.

Medical insurance costs per employee amount to 100 (one hundred) MCI for the relevant financial year.

The Company's employees are provided with paid labour, social and additional leaves.

The duration of paid annual labour leave in the Company is 30 calendar days.

During the reporting year, the Company's employees were provided with labour leaves in accordance with the approved vacation schedule for the relevant year and on the basis of the applications they submitted.

In addition, during the reporting year, pregnant women, women who gave birth to a child (children), women (men) who adopted a newborn child (children) were provided with the following social leaves:

1. maternity leave – 6 women;
2. leave for employees who have adopted a newborn child (children) – 0;
3. unpaid leave to care for a child until he or she reaches the age of three – 8 women.

Social leave indicators in 2024

Indicator	Gender	Number of employees, persons
Maternity/paternity leave exit	women	8
	men	0
Return from maternity/paternity leave	3	
Number of employees remaining in the company for 12 months after leaving leave	3	

PERSONNEL STRUCTURE

The actual number of employees of the Company is 334 employees:

1. administrative and managerial personnel (central office) – 137 units, of which 82 are women and 55 are men;
2. production personnel (branches) – 197 units, of which 67 are women and 130 are men.

At the same time, the average count of the Company is 344 units:

1. administrative and managerial personnel (central office) – 144 units, of which 89 are women (under 30 years old – 2, 30 to 50 years old – 79, over 50 years old – 8), 55 are men (30 to 50 years old – 46, over 50 years old – 9).
2. production personnel (branches) – 200 units, of which 77 are women (under 30 years old – 2, 30 to 50 years old – 70, over 50 years old – 5), 123 are men (under 30 years old – 5, 30 to 50

years old – 98, over 50 years old – 20).

All employees have higher education. The company does not have temporary or part-time workers.

THE BASIS FOR THE IMPLEMENTATION OF PERSONNEL POLICY IS THE PRESENCE OF AN EFFECTIVE ORGANISATIONAL STRUCTURE AND OPTIMAL PERSONNEL.

Number and structure of personnel (compared for 5 years)

	2020	2021	2022	2023	2024
Average number of employees, units.	395	363	340	342	344
Personnel structure by categories:					
♦ management positions	74	58	73	72	72
♦ principal staff	321	305	267	265	264
Personnel structure by age categories:					
♦ under 30 years old	30	22	23	9	9
♦ from 30 to 50 years old	317	297	277	287	293
♦ over 50 years old	48	44	40	46	42
Gender structure of staff:					
♦ men	204	183	175	181	178
♦ women	191	180	165	161	166
Employee turnover, %	15.7	3.6	23.5	16.7	15.9
Number of people hired, persons.	35	59	64	55	74
Number of employees trained, persons.	88	279	312	284	532

Average headcount by job category, gender and age group

Indicator	Average headcount	Gender		Age groups		
		Men	Women	under 30 years old	from 30 to 50 years old	over 50 years old
Headquarters	144	55	89	2	125	17
Branches	200	123	77	7	168	25
Total, persons	344	178	166	9	293	42
including:						
Management employees *	5	5	0	0	4	1
Executive employees *	3	2	1	0	3	0
Middle management *	72	43	29	1	65	6
Administrative staff	264	127	137	11	223	30

* Management employees are members of the Management Board, executive employees are managers or executive directors who are not members of the Management Board, middle managers are heads of departments, services, divisions, directorates, branch directors and their deputies.

Average headcount

Name of Headquarters/branch	Average count by gender				Total number	
	men	%	women	%	quantity	%
Headquarters	55	30.9	89	53.6	144	41.9
Branches	123	69.1	77	46.4	200	58.1
Total	178	51.7	166	48.3	344	100

Average count by age

Age group	Quantity	%
under 30 years old	12	3.5
from 30 to 50 years old	295	85.8
over 50 years old	37	10.8
Total	344	100

Average headcount by region

Name of the division	Quantity	%
Headquarters (Astana)	144	41.9
Branches in:	200	58.1
Akmola region	19	9.5
Aktobe region	15	7.5
Zhetysu region	11	5.5
East Kazakhstan region	11	5.5
Zhambyl region	8	4.0
West Kazakhstan region	16	8.0
Karaganda region	13	6.5
Kostanay region	17	8.5
Kyzylorda region	8	4.0
Pavlodar region	15	7.5
North Kazakhstan region	19	9.5
Astana city	13	6.5
Almaty city	11	5.5
Shymkent city and Turkestan region	15	7.5
Abay region	9	4.5
Total	344	100

The average count
by racial/ethnic group
is as follows:

1. according to the central office: Kazakhs – 128, Germans – 1, Russians – 11, Tatars – 3, Uighurs – 1;

2. by branches: Bashkirs – 1, Georgians – 1, Dungans – 1, Kazakhs – 174, Koreans – 3, Germans – 1, Pole – 1, Russians – 10, Tatars – 2, Turkmens – 1, Uighurs – 1, Ukrainians – 4.

	Subdivision				Overall	
	head-quarters, unit	%	branch, unit	%	quantity	%
Racial/ethnic groups						
Bashkir	0	0.0	1	0.5	1	0.3
Georgian	0	0.0	1	0.5	1	0.3
Dungan	0	0.0	1	0.5	1	0.3
Kazakh	128	88.9	174	87.0	302	87.8
Korean	0	0.0	3	1.5	3	0.9
German	1	0.7	1	0.5	2	0.6
Pole	0	0.0	1	0.5	1	0.3
Russian	11	7.6	10	5.0	21	6.1
Tatar	3	2.1	2	1.0	5	1.5
Turkmen	0	0.0	1	0.5	1	0.3
Uyghur	1	0.7	1	0.5	2	0.6
Ukrainian	0	0.0	4	2.0	4	1.2
Total	144		200		344	

In 2024, 74 employees were hired (47 men, 27 women), including:

1. management positions – 1 (male, 46 years old, Kazakh);
2. positions of managers and their deputies (divisions/ departments/services/ branches) – 10, of which 9 are men (aged 30-50 – 8, over – 1; Kazakhs), 1 woman (over 50 years old – 1; Kazakh);
3. administrative positions – 63, of which 37 are men (under 30 – 3, aged 30-50 – 33, over 50 – 1; Kazakhs – 35, 1 Russian, 1 Ukrainian), 26 women (under 30 – 2, aged

30-50 – 22, over 50 – 2; Kazakhs).

The central office hired 24 employees, and the branches hired 50 (Astana city – 30, Almaty city and Almaty region – 3, Shymkent city and Turkestan region – 6, Akmola region – 1, Aktobe region – 3, East Kazakhstan region – 1, Zhambyl region – 3, West Kazakhstan region – 0, Karaganda region – 9, Kyzylorda region – 0, Kostanay region – 4, Pavlodar region – 2, North Kazakhstan region – 4, Zhetisu region – 2, Abay region – 6).

Number of hired workers by region, by gender

Name of subdivision	By gender				Total number	
	men	%	women	%	number	%
Headquarters (Astana)	9	19.1	15	55.6	24	32.4
Branches by:	38	80.9	12	44.4	50	67.6
Akmola region	1	2.6	0	0.0	1	2.0
Aktobe region	2	5.3	1	8.3	3	6.0
Zhetysu region	1	2.6	1	8.3	2	4.0
East Kazakhstan region	0	0.0	1	8.3	1	2.0
Zhambyl region	2	5.3	1	8.3	3	6.0
West Kazakhstan region	0	0.0	0	0.0	0	0.0
Karaganda region	9	23.7	0	0.0	9	18.0
Kostanay region	2	22.2	2	16.7	4	8.0
Kyzylorda region	0	0.0	0	0.0	0	0.0
Pavlodar region	1	2.6	1	8.3	2	4.0
North Kazakhstan region	4	10.5	0	0.0	4	8.0
Astana city	4	10.5	2	16.7	6	12.0
Almaty city	3	7.9	0	0.0	3	6.0
Shymkent city and Turkestan region	6	15.8	0	0.0	6	12.0
Abay region	3	7.9	3	25.0	6	12.0
Total	47	63.5	27	36.5	74	100

334

The actual number of employees of the Company

IS 334 EMPLOYEES

Number of hired workers by age category

Age group	Number	%
under 30 years old	5	6.8
from 30 to 50 years old	65	87.8
over 50 years old	4	5.4
Total	74	100

During the reporting year, employment contracts were terminated with 55 employees, including:

1. men – 25: Kazakhs – 24, Turkmen – 1; under 30 years old – 2, aged 30-50 – 21, over 50 – 2;
2. women – 30: Kazakhs – 29, Russian – 1; under 30 years old – 1, aged 30-50 – 24, over 50 – 5.

The grounds for termination of an employment contract are

termination of the employment contract:

1. by agreement of the parties – 46;
2. at the initiative of the employer – 4;
3. at the initiative of the employee – 4;
4. for other reasons – 1.

The turnover of the headquarters is 19 employees, of which:

1. men – 7, Kazakhs – 7; aged 30-50 year– 6, over 50 years old – 1;

2. women – 12, Kazakhs – 12; aged 30-50 years – 10, over 50 years old – 2.

The turnover of branches is 36 employees, of which:

1. men – 18, Kazakhs – 17, Turkmen – 1; under 30 years old – 2, aged 30-50 years old – 15, over 50 years old – 1;
2. women – 18, Kazakhs – 17, Russians – 1, under 30 years old – 1, aged 30-50 years – 14, over 50 years old – 3.

Staff turnover by age category, by gender

Subdivision	Gender	Under 30 years old		from 30 to 50 years old		over 50 years old		Total number	
		person	%	person	%	person	%	person	%
Headquarters	men	0	0	6	85.7	1	14.3	7	36.8
	women	0	0	10	83.3	2	16.7	12	63.2
Branch	men	2	11.1	15	83.3	1	5.6	18	50
	women	1	5.6	14	77.8	3	16.7	18	50
Total	men	2	8	21	84	2	8	25	45.5
	women	1	3.3	24	80	5	16.7	30	54.5

Subdivision by regions	Staff turnover by gender				Overall staff turnover	
	men	%	women	%	number	%
Headquarters (Astana)	7		12	63.2	19	34.5
Branches	18	50.0	18	50.0	36	65.5
Akmola region	1	5.6	1	5.6	2	5.6
Aktobe region	0	0.0	0	0.0	0	0.0
Zhetysu region	0	0.0	0	0.0	0	0.0
East Kazakhstan region	1	5.6	1	5.6	2	5.6
Zhambyl region	0	0.0	1	5.6	1	2.8
West Kazakhstan region	0	0.0	0	0.0	0	0.0
Karaganda region	4	22.2	1	5.6	5	13.9
Kostanay region	0	0.0	1	5.6	1	2.8
Kyzylorda region	0	0.0	1	5.6	1	2.8
Pavlodar region	3	16.7	0	0.0	3	8.3
North Kazakhstan region	1	5.6	0	0.0	1	2.8
Astana city	2	11.1	5	27.8	7	19.4
Almaty city	0	0.0	4	22.2	4	11.1
Shymkent city and Turkestan region	3	16.7	1	5.6	4	11.1
Abay region	3	16.7	2	11.1	5	13.9
Total	25	45.5	30	54.5	55	

PERSONNEL
TRAINING AND
DEVELOPMENT

The Company's personnel training and development is carried out with the aim of updating the theoretical and practical knowledge, skills and abilities in the field of professional and managerial activities of the Company's employees for the effective performance of their job responsibilities and solving the problems

defined in accordance with the Company's Development Strategy.

In order to ensure a high level of the Company's personnel potential, employees undergo training and advanced training in the form of mentoring, on-the-job training, participation in various seminars, conferences, round tables, trainings, and

special training courses. Corporate training is also provided for employees included in the Company's Personnel Reserve (soft skills), members of the conciliation commission, branch managers, and directors of structural divisions.

The training is carried out in off-line/on-line formats.

The Company's training policy is based on the principles of 70:20:10, where:

- ♦ **70%** – training and development in the workplace through solving complex problems, assignments and participation in projects;
- ♦ **20%** – training and development through relationships, professional networks, feedback from the manager and colleagues;
- ♦ **10%** – training and development from external providers.

Based on the applications received from structural divisions, on January 30, 2024, No. 20/20/51 919, the Plan for Advanced Training and Professional Development of the Company's Employees for 2024 was approved, within the framework of which 532 employees underwent training and advanced training courses, including 246 in the central office (of the planned number – 175.7%), 286 in the branches (of the planned number – 142.3%), including the number of men was 319 (60%), women – 213 (40%).

By the end of 2024,

532



EMPLOYEES

completed training and advanced training courses

The costs of training employees from the wage fund amounted to 0.5% (22,536.0 thousand KZT), of which administrative and managerial personnel – 0.8% (17,815.8 thousand KZT), production personnel – 0.2% (4,720.2 thousand KZT). At the same time, the average cost per 1 employee was 42,360.9 KZT, and the average number of hours per 1 employee was 2.3.

The Company's employees have completed various trainings and advanced training courses (off-line & on-line) on the following topics:

- ♦ FINANCIAL RISK MANAGER Certification Preparation Course;
- ♦ ISO/IEC 27001-2022 Information Security Management System Manager + Certificate;
- ♦ Implementation of the Environmental Code of the Republic of Kazakhstan and state regulation of greenhouse gas emissions: review of methods, reporting and distribution mechanisms;
- ♦ Fire safety minimum;
- ♦ Labor disputes. Training of members of the Conciliation Commission on the application of the labour legislation of the Republic of Kazakhstan and the ability to negotiate and achieve consensus in labour disputes;
- ♦ ACCA DipIFR;
- ♦ Relations with personnel within the framework of labour legislation – a tool for managerial efficiency of the manager;

- ♦ Conciliation Commission. Individual labour disputes. Fundamentals of labour legislation. Ability to negotiate and achieve consensus in labour disputes;
- ♦ Head of the Legal Department. Corporate Lawyer. Effective work;
- ♦ Business Valuation;
- ♦ Financial Modelling: Flexibility, Dynamics, Clarity;
- ♦ Advanced MS Excel Course and Basics of Data Analysis;
- ♦ Financial Analysis;
- ♦ Continuing Education Courses for Lawyers;
- ♦ Procurement of Individual Entities in the Quasi-Public Sector;
- ♦ Financial Management;
- ♦ ACCA F9 Financial Management;
- ♦ ISO 9001-2015 QMS (Quality Management System);
- ♦ Features of the Design of New Models of Tractors Made in PRC;
- ♦ Implementation and Administration of Cisco Network Solutions;
- ♦ COBIT: Management and Audit of Information Systems;
- ♦ ITIL Practitioner: effective practices for managing ITSM projects;
- ♦ Artificial intelligence in business: first steps with ChatGPT;
- ♦ Monitoring and evaluation of budget investment implementation;
- ♦ Financial modelling I: model development technique and MS Excel capabilities;
- ♦ Administrators exercising powers in accordance with the Law of the Republic of

- Kazakhstan On rehabilitation and bankruptcy;
- ♦ Training services: Strategy;
- ♦ Advanced course in MS Excel and the basics of data analysis;
- ♦ Presentation development. Working with PowerPoint (advanced level);
- ♦ CIA course part 2 Internal audit practice;
- ♦ Internal control: basics of theory and practice;
- ♦ GRI STANDARDS: SUSTAINABILITY REPORTING (as amended in 2021);
- ♦ Independent Director. Successful Career;
- ♦ Efficient Manager;

- ♦ Skills of an Effective Manager;
- ♦ Head of Legal Service/ Corporate Lawyer;
- ♦ Training in Credit Scoring and Risk Assessment;
- ♦ Internal Audit Methodologies (Business Process Audit, Investment Audit, Tender and Procurement Audit, Logistics Operations Audit of Warehousing and Transportation Costs);
- ♦ On Enforcement Proceedings and the Status of Bailiffs;
- ♦ Corporate Law, Bankruptcy and Rehabilitation;
- ♦ Strategic session: Mission in connection with Values.

List of workers trained in 2024

Training of employees in 2024	Total number of trained workers, people	Total number of hours of training workers, academic hours	Average number of hours per 1 worker
Total number	532	1,226	2.3
Gender groups			
♦ men	319	736	2.3
♦ women	213	491	2.3
By employee categories *			
Managing employees	2	5	2.5
Executive employees	1	3	3
Middle management	166	383	2.3
Administrative employees	363	837	2.3

* Executives – members of the Management Board, managerial employees – managers or executive directors – not members of the Management Board, middle managers – heads of departments, services, divisions, directorates, branch directors and their deputies.

MOTIVATION AND REWARD

The development of an effective system of motivation and incentives for personnel ensures the direct and stable interest of each employee in achieving the results of their personal work activity.

The main component of the motivation and incentive system for the Company's employees is the mechanism of monetary remuneration for work. The procedure and mechanisms for remuneration and motivation of personnel are regulated by the internal acts of the Company.

The Company has implemented a three-level wage scale of official salaries using a grade system.

Employees are paid depending on the quantity, quality and complexity of the work performed on the basis of a time-bonus system of remuneration, taking into account the grade of each position within the range/fork (minimum and maximum sizes) of official salaries:

- ♦ **lower zone (min)** – may be set for employees upon hiring in the Company for whom a probationary period has been established, as well as for employees with a low level of performance according to the performance assessment based on the results of the reporting period;

- ♦ **middle zone (mid1, mid2, mid3)** – may be set for employees upon hiring in the Company for whom a probationary period has not been established, or for employees of the Company who have passed the probationary period, as well as for employees with an average level of performance according to the performance assessment based on the results of the reporting period;
- ♦ **upper zone (max)** – may be set for employees of the Company whose qualification level significantly exceeds the qualification requirements for the position, as well as for employees with a high level of performance according to the performance assessment based on the results of the reporting period.

In 2024, based on the recommendation of the Company's Human Resources Committee, the salaries of 193 employees were revised:

1. based on the results of the final performance assessment for 2024 April 17, 2024 – 61;
2. July 11, 2024 – 4;
3. August 20, 2024 – 7;
4. October 31, 2024 – 62;
5. December 30, 2024 – 59.

Also, based on the results of a comprehensive assessment of the Company's performance for 2024, the Company's HR

Committee recommended the following:

1. consideration of enrolment in the Company's Personnel Reserve – 59 employees;
2. undergo additional training in professional specialisation – 9 employees and in the development of personal and business competencies – 47 employees;
3. consider undergoing external training as part of savings in the current year or independent study (self-development or self-training) – 93 employees.

MATERIAL AND NON-MATERIAL INCENTIVES

Within the limits of funds provided in the Company's budget, employees may be paid a bonus based on the results of the performance assessment for the reporting period and a bonus for a public holiday.

In 2024, the Company's employees were awarded bonuses in honour of the celebration of the following public holidays in the Republic of Kazakhstan:

1. International Women's Day – March 8 and Nauryz in the amount of 5 (five) minimum basic wages;
2. Defender of the Fatherland Day – May 7 and Victory Day – May 9 in the amount of 5 (five) minimum basic wages.

The right to receive bonuses based on the performance results for the reporting period is granted to employees who have actually worked for at least 3 (three) months (for the annual performance management cycle) or 1 (one) month (for the quarterly performance management cycle) and have approved KPI maps (or already approved KPIs for this position) and the results of the performance assessment.

At the same time, the total amount of the bonus based on the results of the performance assessment should not exceed

6 (six) official salaries per year, the total quarterly bonus amount for an employee based on the results of work for the quarter should not exceed 1.5 (one and a half) official salaries of this employee.

Thus, bonuses based on the results of the performance assessment based on the results of the reporting period were paid to the Company's employees:

1. for the 1st quarter of 2024 – April 17, 2024;
2. for the 2nd quarter of 2024 – July 12, 2024;
3. for the 3rd quarter of 2024 – October 11, 2024;
4. for the 4th quarter of 2024 – January 28, 2025.

Also, by decision of the Management Board, a bonus may be paid for the development and implementation of measures aimed at saving costs, increasing profitability, as well as introducing innovative solutions and rationalisation proposals, within the limits of funds allocated for these purposes in the Company's budget, as well as due to savings in the wage fund, in the amount of no more than 1 (one) official salary.

The following incentives are applied to employees of the Company for highly professional performance of work duties, increased

productivity and quality of work, improved quality of services, long-term and impeccable work, innovation in work and other achievements in work:

1. early removal of disciplinary action;
2. announcement of gratitude and/or awarding of a certificate;
3. awarding of a valuable gift;
4. nomination for awarding of state, departmental, subordinate awards;
5. issuance of a bonus payment in accordance with the internal regulatory documents of the Company;
6. promotion;
7. sending a letter of appreciation to the employee's family.

For long-term and impeccable work, merits and personal contribution to the development of the agricultural sector, as well as for significant achievements in the Company's areas of activity, an employee may be nominated for state awards and/or honorary titles.

As such, in 2024, 46 employees of the Company were awarded the following types of awards:

1. letter of appreciation from the Prime Minister of the Republic of Kazakhstan on the Republic Day – 1;
2. certificate of honour from the Deputy Prime Minister of the Republic of Kazakhstan on the Republic Day – 1;

3. letter of appreciation from the Deputy Prime Minister – Minister of National Economy of the Republic of Kazakhstan – 1;

4. letter of appreciation from the Chairman of the Board of National Management Holding Baiterek JSC – 3;

5. letter of appreciation from the Chairman of the Board of KazAgroFinance – 40.

CREATING EQUAL CAREER OPPORTUNITIES

Creating equal career opportunities, ensuring fair assessment of the work of women and men and preventing discrimination in wages are essential for achieving gender equality and are one of the main components of decent work. The Company adheres to the principle of equal remuneration for work of equal value. The ratio of the basic rate of remuneration of women to the basic rate of remuneration of men for each category of employees of the Company was 1:1.

When hiring in the Company, employment contracts are concluded between the employer and the employee, according to which the employer is obliged to provide the employee with equal pay for equal work, as well as equal production and living conditions without any discrimination. There was no violation of this obligation during the reporting year.

The Company has created appropriate conditions to

ensure equal rights and opportunities for women and men with respect to:

- ♦ employment – reserved jobs are used to the maximum extent possible for the employment of young professionals, both men and women;
- ♦ equal participation of women and men in making production and management decisions;
- ♦ women's implementation of career growth opportunities;
- ♦ women's participation in events aimed at developing leadership skills;
- ♦ women's and men's implementation of the right to parental leave until the child reaches three years of age.

The Company's work with personnel is aimed at preventing discrimination in the labour sphere, providing flexible working conditions for employees with family responsibilities and ensuring gender equality in the workplace.

The Company employs 72 heads of structural divisions of the

central office (departments, divisions, services), branches of the Company and their deputies, as well as managing directors, of which 44 are men (61.1%), and 28 are women managers (38.8%).

An analysis of the gender composition of the Company's employees for 2024 shows that the ratio of both men and women has remained almost stable over the past two years: women – at the level of 48.2% (166 employees) and men at the level of 51.7% (178 employees).



PERSONNEL RESERVE

In accordance with paragraph 8 of the Rules for the formation and organisation of work with the Company's personnel reserve, approved by the decision of the Company's Management Board dated November 1, 2023 No. 31, the procedure for the formation and revision of the Company's personnel reserve is carried out annually on the basis of a competitive selection based on the results of a decision and/or recommendation by the supervising executive/managerial employees of the Company based on the results of a comprehensive assessment of employees for the past year based on a quarterly assessment of the effectiveness of employees for the reporting period.

In order to implement measures to form the Company's Personnel Reserve, a list of 59 employees has been formed who received the following results based on the results of a comprehensive assessment of employees for 2024:

1. high potential – 25;
2. gradual growth – 15;
3. best employee – 19.

The Human Resources Management Department analysed candidates for compliance with the qualification requirements for education and professional experience for selection for enrolment in the Top 1 and Top 2 groups.

The supervising executives of the Company assessed candidates in accordance with the list of specific professional knowledge in Top 1 and Top 2 and also assigned corresponding ratings.

Based on the results of the professional knowledge assessment, candidates with a rating of 60% or higher were notified of the start of the selection for the Company's Personnel Reserve via the electronic document management system.

The Human Resources Management Department conducted an assessment centre for 29 candidates who took part in the competitive selection for the Company's Personnel Reserve:

Stage 1 of the competitive selection – from August 9 to August 19, 2024, candidates were tested for business and management skills (analysis of numerical and verbal information, solving cases), according to the results of which 19 employees received scores not lower than the threshold values;

Stage 2 of the competitive selection – from August 27 to September 24, 2024, 17 candidates completed motivational and personal questionnaires (2 candidates

refused to participate in the questionnaire).

The Company's HR Committee recommended including 12 employees who received the high potential and medium level potential ratings in the Company's Personnel Reserve.

Currently, the Company's Personnel Reserve consists of 12 employees.

In addition, on December 24, 2024, a meeting of the Company's reservists with members of the HR, Remuneration and Social Issues Committee of the Company's Board of Directors was held, where issues of company development and motivational factors were discussed.

In order to implement measures to form the Company's Personnel Reserve, a list of 59 employees has been formed

59

EMPLOYEES



ANNUAL TOTAL COMPENSATION RATIO

The annual total compensation ratio was as follows (information according to GRI Standard 2-21):

1. the ratio of the annual total compensation for the highest paid employee of the Company to the average annual total compensation for all employees (excluding the highest paid employee) was 4.4.

The annual total compensation of the highest paid employee is defined as the sum of accrued income for the year, including base salary, bonuses, vacation pay, health benefits, and temporary disability benefits. At the same time, the average annual total compensation for all employees (excluding the highest paid employee) is defined as the ratio of the sum of accrued income

(salaries, bonuses, social payments) to the average actual number of employees;

2. the ratio of the percentage increase in the annual total compensation for the highest paid employee of the Company to the average percentage increase in the annual total compensation for all employees (excluding the highest paid employee) was 0.9.

The percentage increase is defined as the ratio of the difference between the 2024 indicator and the 2023 indicator to the 2023 indicator;

3. income accrued under contracts for the provision of services for a fee is excluded from the calculation.

ETHNOCULTURAL DIVERSITY

The Company strives to create an atmosphere of goodwill and support, in which all employees are valued, and representatives of all nationalities of Kazakhstan are provided with equal employment opportunities. The Company is distinguished by a huge ethnocultural diversity of employees. For

example, the Company employs representatives of the following nationalities: Kazakhs, Russians, Dungans, Bashkirs, Georgians, Poles, Tatars, Koreans, Ukrainians, Turkmens, Uighurs, Germans.

At the same time, the Company improves its culture, increasing the ethnocultural diversity in

the management team, while strictly adhering to the rules for recruiting personnel.

SPORTS AND RECREATIONAL ACTIVITIES

In order to stimulate and develop team spirit, improve the level of corporate communications and promote a healthy lifestyle and sports, the Company holds special

corporate recreation events – team building, which is aimed at team building, creating team working methods and is one of the promising models of corporate management that

ensures the full development of the Company.

CONSIDERATION OF INDIVIDUAL LABOUR DISPUTES

In order to consider individual labour disputes, the Company has established a Conciliation Commission. The Commission consists of an equal number of representatives of the employer and employees of the Company, elected at a general meeting of the workforce. The Commission is a permanent body for the consideration

of individual labour disputes. A labour dispute is subject to consideration by the Commission if the employee, independently or with the participation of a representative, has not resolved the disagreement during direct negotiations with the employer or his/her authorised representative.

In 2024, the Conciliation Commission of the Company considered one application for an individual labour dispute. Every year, members of the Conciliation Commission undergo training in the application of the labour legislation of the Republic of Kazakhstan, the development of negotiation skills and reaching consensus in labour disputes.

SOCIAL SUPPORT

KazAgroFinance develops a social focus to consistently improve the standard of living of its employees, ensure universal access to basic social benefits, as well as a favourable psychological climate in the team.

The Decision of the KazAgroFinance Management

Board dated September 30, 2022 No. 34 approved the Rules for providing social support to the Company's employees. Social support is provided to the Company's employees in order to create favourable conditions for effective work, retention and attraction of highly qualified employees.

The Company's management provides social and other guarantees for employees:

- ♦ implementation of the labour legislation of the Republic of Kazakhstan;
- ♦ workplace in accordance with the requirements of safety and labour protection;



- ♦ compulsory insurance of civil liability of the employer for causing harm to the life and health of the employee in the performance of his work duties;
- ♦ voluntary medical insurance;
- ♦ paid labour leave;
- ♦ payment of financial assistance to employees at the birth (adoption) of a child, marriage of the employee and death of the spouse of the employee or close relatives;
- ♦ time-bonus system of remuneration;

- ♦ payment when employees are on business trips;
- ♦ the possibility of professional training and advanced training.

The duration of paid annual leave is 30 calendar days. During the reporting year, the Company's employees were granted leave in accordance with the approved leave schedule for the relevant year and on the basis of the applications they submitted.

Successful implementation of social policy contributes to the motivation of personnel and the growth of competitiveness of KazAgroFinance, as well as strengthening the image of a responsible employer and a socially oriented organisation.

OCCUPATIONAL HEALTH AND SAFETY

One of the main priorities of the Company is to create appropriate conditions for ensuring the protection of life and health of employees.

General requirements for occupational safety and health, requirements for ensuring fire safety are set out in the Instructions for the Safety and Health of the Company's Employees, approved by the decision of the KazAgroFinance Management Board dated

February 25, 2010 No. 17 (hereinafter referred to as the Instructions). The Instructions provide for general safety and health requirements, safety and health requirements before starting work, during and after work, and also describe in detail the actions of employees in emergency situations. All new employees are subject to familiarisation with the

Instructions. The Company's employees were briefed on information security and access control in the office buildings of the Central Office.

In 2024, there were no cases of industrial injuries. No diseases deteriorating the health of employees associated with work and the performance of work duties were recorded.

SPONSORSHIP AND CHARITY

The procedure and order for providing charitable and sponsorship assistance to legal entities and individuals is defined in the Rules for the provision of charitable and sponsorship assistance by KazAgroFinance, approved by the decision of the Company's Management Board dated May 13, 2016, No. 12.

Charitable and sponsorship assistance is provided at the expense and within the limits of funds provided for in the annual budget of the Company for the relevant financial year.

The Company's goals in the field of charity and sponsorship are:

1. strengthening the Company's reputation as a socially responsible company;

2. providing targeted (direct) support to the neediest categories of the population (children, disabled people, war veterans and combatants);
3. forming an image of fame and loyalty to the Company on the part of its potential clients and partners.

The issue of providing charitable or sponsorship assistance is considered by the Company based on requests from legal entities or individuals.

During the reporting year, the Company's Management Board provided charitable and sponsorship assistance in the total amount of 9,912.0 thousand KZT to the following persons within the framework of the Company's budget item:

1. to legal entities for a total of 6,768.0 thousand KZT:

- ♦ branch of the Kazakh Society of the Blind Public Association;
- ♦ Karaganda Regional Administration – branch of the Kazakh Society of the Blind Public Association;

- ♦ Republican Association of Sports for the Visually Impaired;
- ♦ At the Call of the Heart Public Association;
- ♦ Sabi Bakyty Public Fund;
- ♦ Association for Support of People with Disabilities Public Fund;
- ♦ Dar Public Fund;
- ♦ Kobelek Balalar Public Fund;
- ♦ Special Boarding School No. 1 SPI for the purpose of providing orphans, children left without parental care, disabled children, children from low-income families and with serious illnesses, people with disabilities with food, clothing, treatment, as well as financing and support in sports events;

2. To individuals in the amount of 3,144.0 thousand KZT to pay for treatment of oncological and serious diseases.



ENVIRON- MENTAL IMPACT



ENVIRONMENTAL IMPACT

The Company has approved an environmental and social policy that defines the principles and approaches to accounting and monitoring environmental and social factors in credit and leasing activities. The Company strives to ensure that clients comply with environmental and social requirements stipulated by law and encourages clients

to make timely decisions to prevent negative environmental and social impacts. According to the policy, when considering projects, environmental factors are taken into account and assessed, including checking the project for compliance with the following lending principles: environmental management, environmental

risk and environmental impact management, resource efficiency, carbon management, etc.

The examination of environmental and social risks and project monitoring is carried out in accordance with the current requirements of the Company's internal regulatory documents.

ENVIRONMENTAL PROTECTION

The Company, within its capabilities, strives to support the introduction of green technologies into the country's agriculture, which protect the environment and human health, contribute to the conservation of natural resources, increase production efficiency, and therefore the competitiveness of manufactured products. Due to its activities, KazAgroFinance has an indirect

impact on the environment through financing agricultural production. It should be noted that the company leases new equipment that meets modern requirements and standards (standards for emissions of harmful substances into the atmosphere) and is subject to mandatory certification. Thus, the minimal impact of equipment on the environment is ensured.



WASTE MANAGEMENT, WATER CONSUMPTION, ENERGY CONSUMPTION AND ENERGY EFFICIENCY

In its activities, KazAgroFinance strives to reduce excess consumption of resources and minimise the existing negative environmental impact by introducing energy-efficient technologies, reducing water consumption, and reducing paper consumption for office needs. Resource-saving promotional signs are placed on the floors of the Company's building. As part of the work on responsible use of resources, the Company has carried out the following activities aimed at:

1. Reducing electricity consumption.

- the use of incandescent lamps in the office is prohibited, except in cases where their use cannot be excluded for technological or safety reasons;
- efficient light sources are installed – LED lamps with low energy consumption;

- lamps with motion sensors are installed in the office bathrooms;
- equipment and equipment of class A, A+, A++ is installed;
- the energy-saving mode function of laptop monitors and computer equipment is used.

2. Saving thermal energy and ensuring sufficient ventilation.

- a manual or automatic system for regulating heat supply is used, as well as regulating the temperature depending on the presence of workers in the room;
- the offices have air purification equipment;
- heat energy consumption meters ASRT and STU are installed.

As a result of the above measures, it was possible to reduce electricity consumption in 2024 by 2.6% compared to 2023.

3. Minimisation of pollution and waste management.

- selective collection of municipal solid waste has been established, containers for separate waste collection have been installed;
- a wastepaper collection point has been organised for subsequent transfer to specialised enterprises for processing, and a person responsible for this event has been appointed. In 2024, 340 kilograms of wastepaper were transferred to a specialised enterprise;
- measures have been taken to dispose of large-sized waste (furniture, office equipment) of the Company, 310 units with a volume of about 5 tonnes of waste were transferred to a specialised organisation with subsequent disassembly into components, waste sorting with subsequent processing of secondary raw materials

and disposal of hazardous waste.

4. Resource conservation and reduction of their consumption.

- in order to optimise paper document flow, the use of digital signatures by employees was introduced into the ECM program for certain types of documents (external outgoing letters, payment tasks, purchase orders, orders), which, according to the results of

2024, the volume of paper consumption was 10% less compared to 2023;

- the online.kaf.kz BPM platform was introduced to receive online applications from clients;
- automatic hand dryers were installed instead of paper towels;
- recycled paper towels are used.

5. Reduction of water consumption and water disposal.

- water-saving sensor-type faucets are installed in the office bathrooms;
- toilet cisterns have a double flush system;
- water consumption meters are installed.

In order to implement a policy of economical use of resources, the Company conducted an analysis of the use of electricity, water consumption and generation of solid municipal waste for the period from 2022 to 2024.

Energy consumption

	Unit of measurement	2022	2023	2024
Electricity (purchase)	kWh	274,120	264,460	257,670
Gasoline (purchase)	litter	21,340	19,700	9,280
Heat energy	Gcal	255.35	276.68	254.16

Generation of municipal solid waste

	Unit of measurement	2022	2023	2024
Municipal solid waste	m³	112.45	112.45	84.0

* Solid waste is generated by the Company's employees during their work activities on the premises of the Company's building.
Hazardous IT waste is disposed of in accordance with the company's Hazardous Materials Regulations.

Water consumption

	Unit of measurement	2022	2023	2024
Water supply, sanitation	m³	1,380	1,590	1,479

* The company uses and applies water consumption and water disposal exclusively for utility and drinking needs.

EMISSIONS OF GREENHOUSE GASES AND OTHER POLLUTANTS INTO THE ATMOSPHERE

KazAgroFinance is committed to the national goal of the Republic of Kazakhstan to become carbon neutral by 2060 and

contributes to global efforts to adapt to global climate change. In its operational activities, the Company strives to reduce its

carbon footprint and quantifies greenhouse gas emissions generated as a result of its own activities.

CLIMATE CHANGE

The Board of Directors of the Company is responsible for organising and ensuring the effective functioning of the risk management and internal control system. In KazAgroFinance, the Risk Register and the Risk Map are filled in on an ongoing basis as potential risks are identified and adverse events occur. The Risk Register and the Risk Map are submitted for review and approval by the Board of Directors annually. One of the key types of risks is sustainability risks – environmental ESG risk.

The Company pays special attention to risks in the field of sustainable development. Sustainable development risks have a direct impact on the long-term financial result and sustainability of the Company.

We note that according to the disclosure of ESG information,

according to the assessment of PricewaterhouseCoopers (PwC) Kazakhstan, the Company has been assigned a high rating of "B+".

The environmental ESG risk in the Company is understood as a business strategy that implies a careful attitude towards nature, employees and the Company.

As part of ESG risk management, factors capable of influencing the Company's operations and the environment have been identified: drought in most of the Republic of Kazakhstan, natural and climatic cataclysms, and the impact of agricultural production on the environment. This risk has been assessed at an acceptable level, which means that there is no need to take urgent measures to minimise them. However, the Company has developed a

number of preventive and reactive measures to manage this risk:

- recommend that the Company's clients insure crops/pastures;
- purchase equipment only upon provision of certificates of compliance in accordance with the technical regulations of the Customs Union on the safety of wheeled vehicles and on the safety of machinery and equipment;
- recommend servicing leased items in official service centres or their representatives;
- providing restructurings or extensions to clients affected by drought and natural and climatic disasters;
- forming reserves for possible losses.

The Company is currently working on issues of including climate change-related risks in the Register and Risk Map.

Gross CO₂ emissions of the Company in 2024

Scope 1	11,9 tCO ₂ e (from the use of official vehicles to service employees and management)
Subtotal	11,9 tCO ₂ e
Scope 2	137,0 tCO ₂ e (from purchased EE)
	157,2 tCO ₂ e (from purchased thermal energy)
Subtotal	294,25 tCO ₂ e
Scope 3	48 tCO ₂ e (estimated emissions from employees traveling to work by private and public transport)
	0,6 tCO ₂ e (from train travel)
	9,1 tCO ₂ e (from air travel)
	0,2 tCO ₂ e (from the use of rented vehicles for business trips)
	0,0 tCO ₂ e (from the use of rented vehicles for morning and evening transportation of employees)
	8,1 tCO ₂ e (from the use of rented vehicles for servicing management and employees)
Subtotal	66 tCO ₂ e
Gross CO ₂ emissions (sum of Scope 1, 2 and 3 emissions)	372,15 tCO ₂ e

GLOSSARY

AIC	agro-industrial complex
GDP	gross domestic product
POL	fuel and lubricants
COMPANY	KazAgroFinance JSC
KPI	key performance indicator
CA	cattle
IFRS	International Financial Reporting Standards
MM	mass media
ACP	agricultural producer
ACM	agricultural machinery
ROA	return on assets
ROE	return on equity
NPL	loan for which the terms of the original loan agreement are not met

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ANNEX 1. ABOUT THE REPORT

KazAgroFinance has been operating in the leasing market in the agro-industrial complex for over twenty-four years. During this time, the Company has become a recognised and reliable partner for many domestic farmers, suppliers of agricultural machinery, the state and the public. The Company has a wide range of stakeholders, and we strive to ensure effective disclosure of information for them in accordance with international standards and best global practices.

The annual report on the Company's activities for

2024 has been prepared in accordance with the GRI Standards (main level of compliance), which ensures the information transparency of the Company. The financial data is presented in the Report in accordance with the financial statements under IFRS.

When preparing the document, we also followed the requirements of the Kazakhstan Stock Exchange. This annual report has not undergone external certification of non-financial information.

The Company's annual reports are prepared on an annual basis.

This annual report reflects the Company's performance from January 1 to December 31, 2024 and includes the Company's Sustainable Development Report for 2024.

The report covers the Company's performance, achievements and successes, work on strategic objectives, reflects corporate governance issues and activities in the field of sustainable development, as well as further development plans for the Company.

The information in this annual report was disclosed on the most significant aspects of the Company's activities. We consider those issues to be material where, firstly, the Company has a large impact on the environment in the broad sense of this term, and secondly, there is a significant impact on stakeholders and their interests.

1. The first stage is the analysis of materiality and the definition of a preliminary list of material topics, an internal assessment of the Company's impact in the economic, environmental and social spheres.

2. The second stage is the assessment of the significance of material topics, discussion and prioritisation, definition of the final list of material topics.

3. The third stage is the approval of the final list of material topics by the Chairman of the Management Board.

Based on the analysis conducted, a list of material topics for disclosure in the Company's Annual Report for 2024 was determined.

List of material topics

Topic	GRI No.
Economy	
Economic performance	201
Indirect economic impacts	203
Procurement practices	204
Countering corruption	205
Hindering competition	206
Taxes	207
Environment	
Energy	302
Water and Effluents	303
Emissions	305
Waste	306
Society	
Employment	401
Labor-Management Relations	402
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Training and Education	404
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Non-Discrimination	406
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KazAgroFinance JSC

**ANNUAL
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2024**

ANNEX 2.

GRI INDEX

Statement of Use:
KazAgroFinance JSC prepared a report in accordance with the GRI Standards for 2024

Using GRI 1:
GRI 1: Fundamentals 2021
Applicable industry standard:
not approved

GRI standard	Disclosure	Location	Exception			Disclosure No. in industry standard
			Indicator	Reason	Explanation	
General Disclosures						
GRI 2 General Disclosures 2021	2-1 Organisation profile	About the Company contact information				
	2-2 Organisations included in the report	Financial reports for 2024				
	2-3 Reporting year	About the report				
	2-4 Reviewing information	Environmental protection (water consumption)				
	2-5 External confirmation	About the report				
	2-6 Activities, value chain and other business relationships	Activities, Business model, Leasing process, Areas of activity, Analysis of the agro-industrial complex, Analysis of the agricultural machinery fleet, Analysis of the leasing market				
	2-7 Employees	Personnel structure				
	2-8 Workers who are not employees			Information not available	There is no category of temporary employees	
	2-9 Structure and composition of the management	Organisational structure of management, board of directors, board committees				
	2-10 Appointment and election of the highest governing body	Selection and appointment				
	2-11 Chairman of the highest governing body	Board of Directors				
	2-12 The role of the highest governance body in overseeing impact management	Sustainable Development Policy				

2-13 Delegation of responsibility for impact management	Sustainability Policy			
2-14 The Role of the Highest Governance Body in Sustainability Reporting	Sustainability Policy			
2-15 Conflicts of Interest	Conflict of Interest Management and Corporate Conflict Management			
2-16 Reporting Critical Issues	Reporting Issues			
2-17 Collective Knowledge of the Highest Governance Body	Board Member Training and Professional Development			
2-18 Evaluating the Performance of the Highest Governance Body	Board Performance Assessment			
2-19 Remuneration Policy	Board Member Remuneration, Management Board Member Remuneration			
2-20 The Remuneration Determination Process	Board Member Remuneration, Management Board Member Remuneration			
2-21 Annual Total Remuneration Ratio	Annual Total Compensation Ratio			
2-22 Sustainability Strategy Statement	Development Strategy, Development Strategy Implementation			
2-23 Political Commitments	Corporate Ethics, Information Policy	Information is partially unavailable	Human rights protection policy has not been developed	
2-24 Implementing Political Commitments	HR Policy, Corporate Ethics			
2-25 Processes for Addressing Negative Impacts	Complaint and Issue Reporting Mechanism			
2-26 Mechanisms for Seeking Advice and Raising Concerns	Complaint and Issue Reporting Mechanism			
2-27 Compliance with Laws and Regulations	Compliance with Legislation			
2-28 Membership Associations	Membership Associations			
2-29 Stakeholder Engagement	Stakeholder Engagement Report			
2-30 Collective Bargaining Agreements		2-30 Collective agreements	Not applicable	The practice of collective agreements is not applied in the Company

Material Topics				
GRI 3 Material Topics 2021	3-1 Process for Identifying Material Topics	Defining the Contents of the Report		
	3-2 List of Material Topics	List of Material Topics		
Economy				
201 Economic Performance	3-3 Topic Management	Generated Economic Value, PEST Analysis, SWOT Analysis, Risk Analysis, Financial Reporting, Subsidy Processes		
	201-1 Direct economic value created and distributed	Generated Economic Value		
	201-2 Financial impacts and other risks and opportunities related to climate change	PEST Analysis, SWOT Analysis, Risk Analysis, Financial Reporting		
	201-4 Financial assistance received from government	Subsidy Processes		
203 Indirect Economic Impacts	3-3 Topic Management	Operating Results, Generated Economic Value		
	203-1 Supported investments in infrastructure and services	Operating Results		
	203-2 Significant indirect economic impacts	Generated Economic Value		
204 Procurement Practices	3-3 Topic Management	Procurement Practices		
	204-1 Proportion of expenditure on local suppliers	Procurement Practices		
205 Countering Corruption	3-3 Topic Management	Countering Corruption		
	205-1 Operations assessed for corruption risks	Countering Corruption		
	205-2 Communication and training on anti-corruption policies and procedures	Countering Corruption		
	205-3 Confirmed cases of corruption and measures taken	Countering Corruption		
206 Anti- Competition	3-3 Topic Management	Compliance with Legislation		
	206-1 Lawsuits for anti-competitive conduct, antitrust and monopolistic practices	Compliance with Legislation		
207 Taxes	3-3 Topic Management	Generated Economic Value		
	207-1 Approach to taxation	Generated Economic Value		
	207-2 Tax governance, control and risk management	Generated Economic Value		
	207-3 Stakeholder engagement and tax-related issues	Generated Economic Value		

Environment						
302 Energy	3-3 Topic Management	Environmental Protection				
	302-1 Energy Use within the Organisation	Environmental Protection				
	302-4 Reducing Energy Consumption	Environmental Protection				
303 Water and Effluents	3-3 Topic Management	Environmental Protection				
	303-1 Interaction with Water as a Shared Resource	Environmental Protection				
	303-2 Managing Impacts Associated with Water Discharges	Environmental Protection				
	303-3 Water Withdrawal	Environmental Protection				
305 Emissions	3-3 Topic Management		3-3 Topic Management	Information not available	The Company is working on a system for recording the indicator and expects to disclose it in subsequent reports.	
	305-1 Direct (Scope 1) Greenhouse Gas Emissions	Environmental Protection				
	305-2 Energy Indirect (Scope 2) Greenhouse Gas Emissions	Environmental Protection				
	305-3 Other Indirect (Scope 3) Greenhouse Gas Emissions	Environmental Protection				
	305-4 Greenhouse Gas Emission Intensity	Environmental Protection				
	305-5 Reducing Greenhouse Gas Emissions		305-5 Reduction of greenhouse gas emissions	Information not available	The company is working on a system for recording the indicator and expects to disclose it in subsequent reports.	
306 Waste	3-3 Management of Topic	Environmental Protection				
	306-1 Waste Generation and Significant Impacts Associated with Waste	Environmental Protection				

	306-2 Managing Significant Impacts Associated with Waste		306-2 Management of significant impacts associated with waste	Not applicable	The Company does not generate waste that has a significant impact on the environment.	
	306-3 Waste Generated	Environmental Protection				
	306-4 Waste Associated with rejected from disposal		306-4 Waste rejected from recycling	Information not available	The Company is working on the accounting system for the indicator and expects to disclose it in subsequent reports	
	306-5 Waste sent for disposal		306-5 Waste sent for recycling	Information not available	The Company is working on the accounting system for the indicator and expects to disclose it in subsequent reports	
Society						
401 Employment	3-3 Topic Management	Personnel structure, Social support				
	401-1 New Hires and Employee Turnover	Personnel structure				
	401-3 Parental Leave	Social support				
402 Labor/management relations	3-3 Topic Management	HR policy				
	402-1 Minimum Notice Periods for Operational Changes	HR policy				
403 Occupational Health and Safety	3-3 Topic Management	Occupational health and safety, Sports and recreational activities				
	403-1 Occupational Health and Safety Management System	Occupational health and safety				
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	Occupational health and safety				
	403-3 Occupational Health and Safety Services	Occupational health and safety				

	403-4 Worker Participation, Consultation and Communication on Occupational Health and Safety	Occupational health and safety		
	403-5 Worker Health and Safety Training	Occupational health and safety		
	403-6 Worker Health Promotion	Sports and recreational activities, Social support		
	403-7 Prevention and Mitigation of Occupational Health and Safety Effects Directly Associated with Business Relationships	Social support		
	403-8 Workers Covered by the Occupational Health and Safety Management System	Social support		
	403-9 Work-Related Injuries	Occupational health and safety		
	403-10 Work-Related Illness	Occupational health and safety		
404 Training and education	3-3 Management Topic	Personnel training and development, Creating equal career opportunities		
	404-1 Average number of training hours per year per employee	Personnel training and development		
	404-2 Employee development and transition assistance programs	Personnel training and development		
	404-3 Percentage of employees receiving regular performance and career development reviews	Creating equal career opportunities		
405 Diversity and equal opportunity	3-3 Topic Management	Personnel structure, Creating equal career opportunities		
	405-1 Diversity of management and employees	Personnel structure		
	405-2 Ratio of base salary and compensation for women to men	Creating equal career opportunities		
406 Non-discrimination	3-3 Topic Management	Creating equal career opportunities		
	406-1 Incidents of discrimination and corrective actions taken	Creating equal career opportunities		
418 Customer privacy	3-3 Topic Management	Information policy		
	418-1 Substantiated complaints regarding breaches of customer privacy and loss of customer data	Information policy		

ANNEX 3. FINANCIAL STATEMENTS

FOR 2024
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Independent Auditors' Report

To the Shareholder and the Board of Directors of
KazAgroFinance JSC

Opinion

We have audited the financial statements of KazAgroFinance JSC (the “Company”), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*) together with the ethical requirements that are relevant to our audit of the condensed interim financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Expected credit losses (ECL) for loans to customers and finance lease receivables	
Please refer to the Notes 3, 4, 8, 9 and 25 in the financial statements.	
Key audit matter	How the matter was addressed in our audit
Loans to customers and finance lease receivables represent 87% of total assets and are stated net of allowance for expected credit losses (ECL) that is estimated on a regular basis and is sensitive to assumptions used. The Company applies the ECL model, which requires management to apply professional judgement and to make assumptions related to the following key areas: - timely identification of significant increase in credit risk and default events (allocation between stages 1, 2 and 3 in accordance with IFRS 9 Financial Instruments); - assessment of probability of default (PD) and loss given default (LGD); - expected cash flows forecast for loans to customers and finance lease receivables, which are credit-impaired. Due to the significant volume of loans to customers and finance lease receivables and the related estimation uncertainty of expected credit losses thereon, this area is a key audit matter.	We analysed the key aspects of the Company's methodology and policies related to the ECL estimate for compliance with the requirements of IFRS 9, including involvement of financial risks management specialists. To analyse adequacy of professional judgement and assumptions made by the management in relation to ECL allowance estimate, we performed the following procedures: - For a sample of finance lease receivables we tested correctness of allocation between Stages 1, 2 and 3 by analysing financial and non-financial information, as well as assumptions and professional judgments applied by the Company. - For loans to customers and finance lease receivables allocated to Stages 1, 2 and 3, for which ECL allowances are assessed collectively, we tested the design of the related ECL models, including PD and LGD models, assessed key assumptions and agree input data to underlying documents on a sample basis. - For a sample of loans to customer and finance lease receivables allocated to Stage 3 and POCI, for which ECL allowances are assessed individually, we critically assessed assumptions used by the Company to estimate future cash flows, including estimated proceeds from realisable collateral and their expected disposal terms based on our understanding of historical experience and publicly available market information. We also assessed whether the financial statements disclosures appropriately reflect the Company's exposure to credit risk.

Other Information
Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.
Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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Independent Auditors' Report
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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is:


Assel Urdabayeva
Certified Auditor
of the Republic of Kazakhstan
Auditor's Qualification Certificate
No. МФ-0000096 of 27 August 2012



KPMG Audit LLC
State License to conduct audit #0000021 dated 6 December 2006 issued by the Ministry
of Finance of the Republic of Kazakhstan


Sergey Dementiev
General Director of KPMG Audit LLC
acting on the basis of the Charter



17 April 2025

STATEMENT OF CHANGES IN EQUITY**for the year ended 31 December 2024**

KZT thousand	Share capital	Additional paid-in capital	Reserve capital	Retained earnings	Total
At 1 January 2023	82.837.204	57.791.144	1.436.184	14.885.880	156.950.412
Total comprehensive income for the year	-	-	-	18.928.175	18.928.175
Issue of own equity instruments (shares)	20.000.000	-	-	-	20.000.000
Dividends declared (Note 20)	-	-	-	(10.309.687)	(10.309.687)
At 31 December 2023	102.837.204	57.791.144	1.436.184	23.504.368	185.568.900
Total comprehensive income for the year	-	-	-	20.344.956	20.344.956
Dividends declared (Note 20)	-	-	-	(13.249.722)	(13.249.722)
At 31 December 2024	102.837.204	57.791.144	1.436.184	30.599.602	192.664.134

STATEMENT OF CASH FLOWS**for the year ended 31 December 2024**

KZT thousand	Note	2024	2023
Cash flow from operating activities			
Interest received		78.944.054	66.391.186
Interest paid		(46.353.714)	(30.212.765)
Realised income less realised (loss) on foreign exchange operations		44.536	173.589
Personnel expenses paid		(4.449.119)	(3.937.908)
Other operating expenses paid		(1.620.115)	(1.450.136)
Other income received		317.674	170.152
Cash flows from operating activities before changes in operating assets and liabilities		26.883.316	31.134.118
Net change in operating assets			
Amounts due from credit institutions		(2.371.587)	1.000
Loans to customers		669.963	2.208.596
Finance lease receivables		(119.460.595)	(73.679.642)
VAT and other taxes receivable		(1.749.194)	(3.129.099)
Coupon prepayments on debt securities issued		(9.938.789)	-
Advances paid		(29.434)	(6.209.990)
Other assets		3.121.466	3.616.591
Net change in operating liabilities			
Advances received		243.883	153.628
Government grants		18.542.000	-
Other liabilities		2.196.718	(91.707)
Net cash used in operating activities before corporate income tax paid		(81.892.253)	(45.996.505)
Corporate income tax paid		(961.592)	(453.911)
Net cash used in operating activities		(82.853.845)	(46.450.416)

STATEMENT OF CASH FLOWS (CONTINUED)**for the year ended 31 December 2024**

KZT thousand	Note	2024	2023
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(169.661)	(141.876)
Proceeds from sales of property, plant and equipment		23.839	11.636
Net cash used in investing activities		(145.822)	(130.240)
Cash flows from financing activities			
Proceeds from loans due to the Shareholder	29	(4.933.964)	(4.802.194)
Receipt of loans due to credit institutions	29	–	30.000.000
Repayment of loans due to credit institutions	29	(20.479.200)	(10.479.201)
Proceeds from debt securities issued	29	175.000.000	30.278.337
Repayment of debt securities issued	29	(43.933.000)	(28.952.250)
Proceeds from increase in share capital		–	20.000.000
Dividends paid to the Shareholder	29	(13.249.722)	(10.309.687)
Net cash flows from financing activities		92.404.114	25.735.005
Effect of changes in exchange rates on cash and cash equivalents		426.393	(119.434)
Effect of movements in expected credit losses on cash and cash equivalents	22	(738)	2.050
Net increase/(decrease) in cash and cash equivalents		9.830.102	(20.963.035)
Cash and cash equivalents at the beginning of the year	6	43.800.988	64.764.023
Cash and cash equivalents at the end of the year	6	53.631.090	43.800.988

**NOTES TO THE FINANCIAL
STATEMENTS
FOR 2024****1. CORPORATE INFORMATION**

KazAgroFinance Joint Stock Company (the “Company”) was established by the Decree of the Government of the Republic of Kazakhstan No.1777 dated 24 November 1999 “On Certain Agricultural Issues”, under Kazakhstan legislation. The Company carries out its activities based on the license No.16 of 31 March 2006 issued by the National Bank of the Republic of Kazakhstan (the “NBRK”) for conducting operations provided for by the banking legislation of the RK. Besides, the Company has a status of a financial agency according to the Resolution of the NBRK No.195 dated 23 September 2006.

The Company’s principal activities are as follows:

- ♦ leasing activity in the agro-industrial complex;
- ♦ lending to the agro-industrial complex;
- ♦ participation in implementing of the programmes funded from the national budget and other programmes aimed at development of the agro-industrial complex.

The Company’s registered office is: 51 Kenesary Str., Astana, Republic of Kazakhstan.

As at 31 December 2024 and 31 December 2023, the Company had 16 registered branches in the Republic of Kazakhstan.

Before 18 March 2021, KazAgro National Management Holding Joint Stock Company owned 100% of the Company's shares. In accordance with section 52 of the National Action Plan for the Implementation of President of Kazakhstan’s State of the Nation Address of 1 September 2020 “Kazakhstan in a New Reality: Time for Action” approved by the Decree No.413 of the President of the Republic of Kazakhstan of 14 September 2020, a single development institution has been established through the merger of National Managing Holding Baiterek Joint Stock Company and KazAgro National Management Holding Joint Stock Company. On 18 March 2021, 100% of the Company's shares were transferred to National Managing Holding Baiterek Joint Stock Company.

On 15 July 2022, at the meeting of the Board of Directors of NMH Baiterek JSC a decision was made to transfer 100% of ordinary shares of KazAgroFinance JSC owned by NMH Baiterek JSC to Agrarian Credit Corporation JSC at a cost of

KZT 147.470.014 thousand to pay for placement of ordinary shares of Agrarian Credit Corporation JSC. On 25 July 2022, 100% of the Company’s shares were transferred to Agrarian Credit Corporation JSC.

As at 31 December 2024 and 31 December 2023 the sole shareholder of the Company is Agrarian Credit Corporation JSC (the “Shareholder”). The Shareholder is a subsidiary of NMH Baiterek JSC. The Company’s ultimate owner is the Government of the Republic of Kazakhstan.

Kazakhstan business environment

The Company's operations are primarily located in Kazakhstan. Consequently, the Company is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. Depreciation of the Kazakhstan Tenge, the volatility in the global price of oil and the ongoing military conflict between the Russian Federation and Ukraine have also increased the level of uncertainty in the business environment.

The financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Company. The actual future business environment may differ from management's assessment.

2. BASIS OF PREPARATION

General

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The financial statements have been prepared on the historical cost basis.

The functional currency of the Company is the Kazakhstani tenge (KZT) as, being the national currency of the Republic of Kazakhstan it reflects the economic substance of the majority of underlying events and circumstances relevant to them. The KZT is also the presentation currency for the purposes of these financial statements. The financial statements are presented in thousands of Kazakhstani tenge ('KZT thousand'), except per common share carrying amounts or unless otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ♦ in the principal market for the asset or liability; or
- ♦ in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value

measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ♦ **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities (with no adjustments).
- ♦ **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ♦ **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets and liabilities

Initial recognition

All regular way purchases and sales of financial assets and liabilities are recognised on the trade date i.e. the date that the Company commits to purchase the asset or liability. Regular way purchases or sales of financial assets and liabilities that require delivery of assets and liabilities within the period generally established by regulation or convention in the marketplace.

The classification of financial assets at initial recognition depends on the contractual terms and business model used for managing instruments. Financial instruments are initially measured at fair value plus transaction costs.

Initial measurement

Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- ♦ amortised cost;
- ♦ fair value through other comprehensive income (FVOCI);
- ♦ at fair value through profit or loss (FVTPL).

The Company classifies and measures its derivative and trading portfolio at FVTPL. The Company may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities are measured at amortised cost or at FVTPL when they are held for trading, are derivative instruments or the fair value designation is applied.

Amounts due from credit institutions, loans to customers, investment securities measured at amortised cost

The Company only measures amounts due from credit institutions, loans to customers and other financial investments at amortised cost if both of the following conditions are met:

- ♦ a financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows;
- ♦ its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

These terms are detailed below.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed at the level of individual instruments but at a higher level of aggregated portfolios and is based on observable factors, such as:

- ♦ the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- ♦ how the performance of the business model and the financial assets held within that business model is evaluated and how this information is reported to the key management;
- ♦ the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- ♦ how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- ♦ the expected frequency, volume and timing of sales are also important aspects of the Company's business model assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

"Solely payments of principal and interest on the principal amount outstanding" test (SPPI test)

As a second step of its classification process, the Company assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Debt instruments measured at FVOCI

The Company measures debt instruments at FVOCI, if both of the following conditions are met:

- ♦ the instrument is held within a business model which objective is achieved by both collecting contractual cash flows and selling financial assets;
- ♦ contractual terms of the financial assets comply with the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income ('OCI'). Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Expected credit losses (ECL) on debt instruments at FVOCI will not decrease the carrying amount of these financial assets in the statement of financial position that continue to be measured at fair value. Instead, the amount equal to the allowance for expected losses that would be created when measuring the asset at amortised cost is recognized in OCI as the cumulative amount of the impairment with the recognition of corresponding amounts in profit or loss. The cumulative amount of losses recognised in OCI is reclassified to profit or loss when the asset is derecognised.

The Company sometimes at initial recognition of some investments in equity instruments makes an irrevocable decision to classify investments in equity instruments at FVTPL if they meet the definition of an equity instrument according to IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as other income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal of such instruments, accumulated revaluation reserve is transferred to retained earnings.

Financial guarantees and credit related commitments

The Company issues financial guarantees and credit related commitments.

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received.

Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss and ECL allowance.

Credit related commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer.

The Company occasionally issues commitments to provide loans at below-market interest rates. Such commitments are initially recognised at fair value and subsequently measured at the higher of an ECL allowance and the amount initially recognised less cumulative income, where appropriate.

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company changes the business model for managing financial assets. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets and liabilities in 2024 and 2023.

Borrowings

Issued financial instruments or their components are classified as liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity instruments. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the borrowings are derecognised as well as through the amortisation process.

If the Company purchases its own debt, it is removed from the statement of financial position and the difference between the carrying amount of the liability and the consideration paid is recognised in profit or loss.

Restructured loans

Where possible, the Company seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions.

The Company derecognises a financial asset, e.g. a loan to a customer, if the related contractual terms are renegotiated to the extent that it in fact becomes a new loan, and records the difference as gains or losses arising from derecognition before impairment loss is recognised. Upon initial recognition the loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCL. When assessing, whether the loan to customer should be derecognised, the Company considers the following:

- ♦ change in currency of the loan;
- ♦ change in counterparty;
- ♦ if the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not imply a substantial change in cash flows, such modification does not result in a derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss that is presented in the statement of profit or loss and other comprehensive income, to the extent that an impairment loss has not already been recorded.

If the modification does not result in derecognition, the Company also reassesses the significant increase in credit risk or the need to classify assets as credit-impaired. After the designation of an asset as credit-impaired as a result of modification, it remains within Stage 3 for a probation period of at least 6 months. To transfer a restructured loan from Stage 3, regular payments of more than insignificant amounts of principal or interest are needed during at least half of the probation period in accordance with the modified amortisation schedule.

Modification of the terms of financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Company applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Company recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms.

The Company assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. The Company concludes that the modification is substantial as a result of the following qualitative factors:

- ♦ change the currency of the financial liability;
- ♦ change in collateral or other credit enhancement;
- ♦ inclusion of conversion feature;
- ♦ change the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised from the statement of financial position where:

- ♦ The rights to receive cash flows from the asset have expired;
- ♦ The Company has transferred its right to receive cash flows from the asset, or has assumed an obligation to transfer the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and
- ♦ The Company either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Write-off

Financial assets are written off in part or in full, only when the Company does not expect to recover their value. If the amount to be written off is higher than the accumulated impairment allowance, the difference is at first recorded as the increase in the allowance that is subsequently applied to the gross carrying amount. All the subsequent reversals are recognised as credit loss expenses. The write-off relates to the derecognition event.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the grant will be received and the Company will comply with any conditions attached to the grant. Government grants exclude assistance by government in the form of transfers of resources for subsequent transfer to third parties with no obligation for the Company for past or future compliance with certain conditions relating to its operating activities.

A government grant may take a form of benefit of the below-market rate of interest government loans. Such loans are recognised and measured in accordance with IFRS 9 Financial Instruments. The amount of benefit is measured as the difference between the initial fair value of a loan and the proceeds received from this loan.

In cases where the government acts as a Shareholder providing loans at a below market rate, the amount of benefit of the below-market rate of interest government loans is accounted for as the Shareholder’s contribution.

Government grants are recognised as income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

When funds are received to finance the finance lease transactions, the government grant is recognised as income on a systematic basis and compensates the negative effect of interest accrued at the market rate on a loan received at a below market rate. Such government grant income reduces the related interest expense in the statement of profit or loss and other comprehensive income.

Leases

Right-of-use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment testing.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company also applies the lease of low-value assets recognition exemption to leases wherein an underlying asset is considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Amounts recognised in the statement of financial position and statement of profit or loss and other comprehensive income

As at 31 December 2024 and 2023 the Company did not sign finance lease agreements for which the Company is a lessee. For the period ended 31 December 2024 and 2023, the Company recognised expenses on short-term leases in the amount of KZT 173.940 and KZT 153.724, respectively. The Company did not conclude leases for low-value assets.

Finance lease – Company as a lessor

The Company recognises lease payment receivables in the amount equal to net investments in lease from commencement of the lease term. Finance income is calculated based on a pattern reflecting a constant

periodic rate of return on the carrying amount of net investments. Initial direct costs are recorded within initial amount of lease payment receivables.

Leases which assume transfer of substantially all the risks and rewards of ownership are classified as finance leases (leasing).

Whether a lease is a finance lease depends on the substance of the transaction rather than the form. Examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease are:

1. the lease transfers ownership of the asset to the lessee by the end of the lease term;
2. the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain at the inception of the lease, that the option will be exercised;
3. the lease term is for the major part of the economic life of the asset even if title is not transferred;
4. at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset, or
5. the leased assets are of such a specialised nature that only the lessee can use them without major modifications being made.

IFRS 16 also identifies characteristics that, individually or in combination, can lead to a lease being classified as a finance lease:

1. if the lessee is entitled to cancel the lease early, the lessor's losses associated with the cancellation are borne by the lessee;
2. gains or losses from fluctuations in the fair value of the residual fall to the lessee (for example, by means of a rebate of lease payments equal to the majority of the proceeds from the sale at the end of the lease term); and
3. the lessee has the ability to continue to lease for a secondary period at a rent that is substantially lower than market rent.

Initial measurement

Upon lease commencement, the Company shall recognise assets held under a finance lease as a receivable at an amount equal to the net investment in the lease.

Initial recognition is made on the date of signing of the act of transfer/acceptance of the leasing item with the lessee. The net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease.

Initial direct costs associated with the acquisition of the leasing item are included in the initial measurement of financial lease receivables.

Lease payments are made by lessees on a regular basis in accordance with finance lease agreements. Lease payments are allocated in accordance with the terms of concluded finance lease agreements.

The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease. The accrual of interest begins at commencement of the lease term, unless otherwise is stipulated by the terms of the finance lease.

The commencement date of a lease is the date on which the lessor makes an asset available for use by a lessee. This is the date of initial recognition of the lease (i.e. recognition by the lessee of the relevant assets, liabilities, income or expenses arising from the lease).

Derecognition

Writing off the principal, fees and other receivables on finance lease at the expense of the established provisions is made in the following cases:

- ♦ declaring the debtor bankrupt and/or excluding the debtor from the national registers of identification numbers;
- ♦ the Company has received an act of the bailiff to terminate the enforcement proceedings and return the writ of execution to the claimant due to the debtor's lack of property that can be foreclosed. At the same time, debt cancellation is made only if the bankruptcy proceedings cannot be applied due to legal restrictions.

Fees may be charged under finance leases. If the fee is an integral part of the effective interest rate for a finance lease such fee is recognised as a discount to the principal amount of the finance lease and is credited to income using the effective interest method. The fee is payable within the terms stipulated by the contract.

The Company records a modification of finance lease as a lease if the following two conditions are met:

1. assets increase under the lease agreement; and
2. consideration for the lease is increased by an amount commensurate with the stand-alone selling price to increase the scope, and by appropriate adjustments to that stand-alone selling price to reflect the circumstances of the particular contract.

If the modification to a finance lease is not recorded as a separate lease agreement, the Company accounts for the modification under IFRS 9.

In the event of a finance lease in which the Company acts as a lessee, the Company, for recognition and measurement of transactions, will be guided by the relevant provisions of IFRS 16 Leases.

New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- ♦ Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

- ♦ Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- ♦ Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss and other comprehensive income, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- ♦ Lack of Exchangeability (Amendments to IAS 21).
- ♦ Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Estimation uncertainty

In the process of applying the Company's accounting policies, management has used its judgments and made estimates in determining the amounts recognised in the financial statements. The most significant use of judgments and estimates are as follows:

Fair value of financial instruments

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 a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Additional details are provided in Notes 13 and 26.

Assessment of collateral

Management of the Company monitors collateral on a regular basis. Management uses its judgments based on experience or independent estimates to adjust the value of collateral to reflect current market conditions. Additional details are provided in Notes 8 and 9.

Expected credit losses/losses from impairment of financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining the ECL/impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

Elements of the ECL models that are considered accounting judgments and estimates include:

- ♦ The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment.
- ♦ The grouping of financial assets when their ECL is assessed on a collective basis.
- ♦ Development of ECL models, including the various formula and the choice of inputs.
- ♦ Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on probabilities of default (PD), exposures at default (EAD) and losses given default (LGD).
- ♦ Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL assessment models.

Taxation

Tax, currency and customs legislation of the Republic of Kazakhstan is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Company may be challenged by the relevant local or state authorities. As such, significant additional taxes, penalties and interest may be assessed. Tax periods remain open to review by relevant authorities for 5 (five) calendar years preceding the year of tax review. Under certain circumstances reviews may cover longer periods.

As at 31 December 2024 and 2023, management believes that its interpretation of the legislation is appropriate and that the Company's tax, currency and customs positions will be sustained.

5. CHANGES IN PRESENTATION

The Company has revised the classification of income related to compensation for lost profits under contracts for the supply of assets intended for transfer under finance lease agreements. Historically, such income was presented within other income. Taking into account the underlying economic substance, the Company has resolved to classify income related to compensation for lost profits within interest income on finance lease receivables.

The following table summarises the impacts on the Company's financial statements.

	As previously reported	Adjustments	As restated
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023			
Other interest income			
Finance lease receivables	64.329.244	751.180	65.080.424
Total interest income	71.486.775	751.180	72.237.955
Net interest income	36.986.217	751.180	37.737.397
Net interest income after credit loss expenses	24.910.444	751.180	25.661.624
Other income	1.210.161	(751.180)	458.981
Non-interest expense	(5.980.321)	(751.180)	(6.731.501)

	As previously reported	Adjustments	As restated
Statement of Cash Flows for the year ended 31 December 2023			
Cash flows operating activities			
Interest received	65.640.006	751.180	66.391.186
Other income receipts	921.332	(751.180)	170.152

6. CASH AND CASH EQUIVALENTS

As at 31 December 2024 and 2023 cash comprises:

	31 December 2024	31 December 2023
Cash on current bank accounts:		
♦ rated from BBB- to BBB+	21.183.258	29.778.065
♦ rated from BB- to BB+	2	825.802
♦ with the National Bank of the Republic of Kazakhstan	-	5.000.000
Total cash on current bank accounts	21.183.260	35.603.867
Reverse repurchase agreements for securities (bonds) with original maturities of less than three months	12.789.465	-
Total reverse repurchase agreements for securities (bonds) with original maturities of less than three months	12.789.465	-
Deposits with the original maturity of less than twelve months		
♦ rated from BBB- to BBB+	527.448	2.060.634
♦ rated from BB- to BB+	19.132.405	6.137.237
Total deposits with the original maturity of less than twelve months	19.659.853	8.197.871
Total cash and cash equivalents before loss allowances for expected credit losses	53.632.578	43.801.738
ECL allowance	(1.488)	(750)
Total cash and cash equivalents net of loss allowances for expected credit losses	53.631.090	43.800.988

As at 31 December 2024 the Company has accounts with one bank, whose total balances of cash and cash equivalents exceed 10% of the Company's equity. The gross value of these balances with the above bank as at 31 December 2024 is KZT 21.103.971 thousand or 39.35% of total cash and cash equivalents (31 December 2023: held with one bank KZT 29.778.065 thousand or 67.98%).

As at 31 December 2024, the Company entered into reverse repo agreements at Kazakhstan Stock Exchange. As at 31 December 2024, the reverse repurchase agreements ("reverse repos") are collateralised by bonds of Kazakhstan Sustainability Fund JSC and treasury notes of the Ministry of Finance of the Republic of Kazakhstan. The fair value of the pledged securities at 31 December 2024 was KZT 12.789.465 thousand (31 December 2023: none).

The above table is based on the credit ratings assigned by Standard & Poor's or other agencies converted into Standard & Poor's scale. None of cash and cash equivalents are past due and categorised into Stage 1 of credit risk grading.

Credit quality analysis

Cash is mainly comprised of instruments with a high credit rating and low risk. As at 31 December 2024 and 31 December 2023 the Company recognised allowance for expected credit losses on cash and cash equivalents at an amount equal to 12-months ECL.

7. AMOUNTS DUE FROM CREDIT INSTITUTIONS

As at 31 December 2024 and 2023 amounts due from credit institutions comprise:

	31 December 2024	31 December 2023
Amounts due from credit institutions		
♦ rated from BBB- to BBB+	2.433.992	-
Total amounts due from credit institutions before loss allowance for expected credit losses	2.433.992	-
ECL allowance	(22)	-
Total amounts due from credit institutions net of loss allowance for expected credit losses	2.433.970	-

The above table is based on the credit ratings assigned by Standard & Poor's or other agencies converted into Standard & Poor's scale. No amounts due from credit institutions are past due.

As at 31 December 2024, amounts due from credit institutions include deposits with banks in foreign currency in the amount of KZT 2.433.970 thousand (31 December 2023: none).

As at 31 December 2024 the Company had no banks (31 December 2023: had no balances), whose balances exceed 10% of equity.

None of amounts due from credit institutions are past due and categorised into Stage 1 of credit risk grading.

Credit quality analysis

Amounts due from credit institutions are mainly comprised of instruments with a high credit rating and low risk.

As at 31 December 2024 the Company recognised allowance for expected credit losses on amounts due from credit institutions at an amount equal to 12-months ECL.

8. LOANS TO CUSTOMERS

As at 31 December 2024 and 2023 loans to customers comprise:

	31 December 2024	31 December 2023
Loans to legal entities	24.514.182	25.183.792
Loans to individuals	2.649.039	2.667.923
Total loans to customers before ECL allowance	27.163.221	27.851.715
ECL allowance	(19.606.531)	(19.740.952)
Loans to customers	7.556.690	8.110.763

ECL allowance for loans to customers measured at amortised cost

An analysis of changes in the ECL allowance for 2024 in respect of legal entities is as follows:

	2024		
	Stage 1 12-months expected credit losses	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired
Legal entities			
ECL allowance at 1 January 2024	763	14.091	17.855.171
New assets originated or purchased	27.770	–	–
Transfers to Stage 1	11.209	(11.209)	–
Transfers to Stage 2	–	–	–
Transfers to Stage 3	(5.601)	(2.916)	8.517
Net (reversal)/charge for the year	(16.079)	34	(486.260)
Unwinding of discount on present value of ECLs	–	–	300.641
At 31 December 2024	18.062	–	17.678.069

An analysis of changes in the ECL allowance for 2024 in respect of individuals is as follows:

	2024		
	Stage 1 12-months expected credit losses	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired
Individuals			
ECL allowance at 1 January 2024	–	489.659	1.381.268
New assets originated or purchased	–	–	–
Transfers to Stage 1	–	–	–
Transfers to Stage 2	–	–	–
Transfers to Stage 3	–	(489.659)	489.659
Net charge of loss allowance	–	–	36.393
Unwinding of discount on present value of ECLs	–	–	3.080
At 31 December 2024	–	–	1.910.400

An analysis of changes in the ECL allowance for 2023 in respect of legal entities is as follows:

	2023		
	Stage 1 12-months expected credit losses	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired
Legal entities			
ECL allowance at 1 January 2023	141.624	–	15.443.712
New assets originated or purchased	–	–	–
Transfers to Stage 1	7.216	–	(7.216)
Transfers to Stage 2	(141.287)	187.744	(46.457)
Transfers to Stage 3	–	(627.206)	627.206
Net (reversal)/charge for the year	(6.790)	453.553	2.072.872
Unwinding of discount on present value of ECLs	–	–	213.339
Amounts written off	–	–	(448.285)
At 31 December 2023	763	14.091	17.855.171

An analysis of changes in the ECL allowance for 2023 in respect of individuals is as follows:

Individuals	2023			Total
	Stage 1 12-months expected credit losses	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	
ECL allowance at 1 January 2023	–	–	1.974.030	1.974.030
New assets originated or purchased	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	619.171	(619.171)	–
Transfers to Stage 3	–	–	–	–
Net (reversal)/charge for the year	–	(129.512)	165.257	35.745
Unwinding of discount on present value of ECLs	–	–	49.868	49.868
Amounts written off	–	–	(188.716)	(188.716)
At 31 December 2023	–	489.659	1.381.268	1.870.927

In determining the ECL allowance for loans to customers at 31 December 2024, management used the following key assumptions:

- the PD on loans categorised into Stage 1 credit exposures was estimated at 3.17%-6.22%, depending on a borrower's segment and remaining maturities;
- the LGD parameter for loans categorised into Stages 1 and 3 credit exposures averaged 38% and 59%, respectively.

In determining the ECL allowance for loans to customers at 31 December 2023, management used the following key assumptions:

- the PD on loans categorised into Stage 1 credit exposures was estimated at 4.43%-22.78% and for loans categorised into Stage 2 credit exposures – at 31.3%-52.2%, depending on a borrower's segment and remaining maturities;
- the LGD parameter for loans categorised into Stage 1 credit exposures was estimated at 20%; for loans categorised into Stage 2 – at 25%; and for loans categorised into Stage 3 – at 49.6%.

Changes in the above estimates could affect the ECL allowance for loans issued. For example, to the extent that the net present value of the estimated cash flows differs by plus one percent, allowance for expected credit losses on loans issued as at 31 December 2024 would be KZT 66.276 thousand lower (31 December 2023: KZT 67.329 thousand).

The following table provides information on the credit quality of loans to customers as at 31 December 2024 and 31 December 2023:

Legal entities	31 December 2024			Total
	Stage 1 12-months expected credit losses	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	
not overdue	355.781	–	5.186.654	5.542.435
overdue less than 30 days	–	–	2.171.558	2.171.558
overdue more than 31 days and less than 90 days	–	–	781.471	781.471
overdue more than 91 days and less than 180 days	–	–	463.737	463.737
overdue more than 181 days and less than 1 year	–	–	1.403.863	1.403.863
overdue more than 1 year	–	–	14.151.118	14.151.118
	355.781	–	24.158.401	24.514.182
Loss allowance	(18.062)	–	(17.678.069)	(17.696.131)
Total loans to customers	337.719	–	6.480.332	6.818.051

Individuals	31 December 2024			Total
	Stage 1 12-months expected credit losses	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	
not overdue	2.482	–	–	2.482
overdue less than 30 days	–	–	–	–
overdue more than 31 days and less than 90 days	–	–	1.576	1.576
overdue more than 91 days and less than 180 days	–	–	831.641	831.641
overdue more than 181 days and less than 1 year	–	–	–	–
overdue more than 1 year	–	–	1.813.340	1.813.340
	2.482	–	2.646.557	2.649.039
Loss allowance	–	–	(1.910.400)	(1.910.400)
Total loans to customers	2.482	–	736.157	738.639

	31 December 2023			
	Stage 1 12-months expected credit losses	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	Total
Legal entities				
not overdue	101.650	99.562	5.528.190	5.729.402
overdue less than 30 days	–	–	454.670	454.670
overdue more than 31 days and less than 90 days	–	38.818	30.085	68.903
overdue more than 91 days and less than 180 days	–	–	145.709	145.709
overdue more than 181 days and less than 1 year	–	–	64.203	64.203
overdue more than 1 year	–	–	18.720.905	18.720.905
	101.650	138.380	24.943.762	25.183.792
Loss allowance	(763)	(14.091)	(17.855.171)	(17.870.025)
Total loans to customers	100.887	124.289	7.088.591	7.313.767

	31 December 2023			
	Stage 1 12-months expected credit losses	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	Total
Individuals				
not overdue	4.956	804.776	–	809.732
overdue less than 30 days	–	–	–	–
overdue more than 31 days and less than 90 days	–	–	–	–
overdue more than 91 days and less than 180 days	–	–	8.431	8.431
overdue more than 181 days and less than 1 year	–	–	129.465	129.465
overdue more than 1 year	–	–	1.720.295	1.720.295
	4.956	804.776	1.858.191	2.667.923
Loss allowance	–	(489.659)	(1.381.268)	(1.870.927)
Total loans to customers	4.956	315.117	476.923	796.996

Analysis of movements in the gross carrying amounts

The note further explains how significant movements in the gross carrying amounts of loans to customers have contributed to changes in loss allowances for expected credit losses.

During 2024, repayments of loans to customers designated to Stage 3 of KZT 1.096.242 thousand (31 December 2023: KZT 2.104.222 thousand) resulted in a decrease in the allowance for expected credit losses in the amount of KZT 572.517 thousand on loans to customers designated to Stage 3 (31 December 2023: KZT 653.007 thousand). There were no any repayments of loans designated to Stage 2 in 2024 (2023: repayments of loans to customers designated to Stage 2 of KZT 81.698 thousand resulted in a decrease in the allowance for expected credit losses in the amount of KZT 26.718 thousand on loans to customers designated to Stage 2).

Collateral and other instruments that reduce credit risk

The amount and type of collateral required by the Company depend on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of commercial lending collateral include real estate, land and agricultural machinery.

The following table provides information on collateral and other credit enhancements related to loans to customers (net of loss allowance) as at 31 December 2024, by types of collateral:

	Loans to customers, carrying amount	Fair value of collateral: for collateral assessed during the reporting period
Loans to customers, under which the ECL are within 12 monthss:		
Real estate	2.482	2.482
No collateral or other credit enhancement	337.719	–
Total loans to customers, under which the ECL are within 12 monthss	340.201	2.482
Loans to customers with lifetime ECL of assets credit-impaired:		
Real estate	7.094.301	7.094.301
Vehicles	9.490	9.490
Land plots	5.452	5.452
Other collateral	74.405	74.405
No collateral or other credit enhancement	32.841	–
Total loans to customers with lifetime ECL of assets credit-impaired	7.216.489	7.183.648
Total loans to customers	7.556.690	7.186.130

The following table provides information on collateral and other credit enhancements related to loans to customers (net of impairment allowance) as at 31 December 2023, by types of collateral:

	Loans to customers, carrying amount	Fair value of collateral: for collateral assessed during the reporting period
Loans to customers, under which the ECL are within 12 monthss:		
Real estate	105.843	105.843
Total loans to customers, under which the ECL are within 12 monthss	105.843	105.843
Loans to customers with lifetime ECL of assets not credit-impaired:		
Real estate	439.406	439.406
Total loans to customers with lifetime ECL of assets not credit-impaired	439.406	439.406
Loans to customers with lifetime ECL of assets credit-impaired:		
Real estate	7.441.591	7.441.591
Vehicles	19.591	19.591
Equipment	249	249
Land plots	5.404	5.404
Other collateral	66.386	66.386
No collateral or other credit enhancement	32.293	–
Total loans to customers with lifetime ECL of assets credit-impaired	7.565.514	7.533.221
Total loans to customers	8.110.763	8.078.470

Management monitors the market value of collateral, requests additional collateral under the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment.

Concentration of loans to customers

As at 31 December 2024, the Company had a concentration of loans represented by KZT 13.876.205 thousand issued by the Company to ten largest unrelated parties or 51.08% of the gross loan portfolio (31 December 2023: KZT 14.084.507 thousand or 50.57% of gross loan portfolio). As at 31 December 2024 the ECL allowance of KZT 9.776.015 thousand was formed against these loans (31 December 2023: KZT 10.042.753 thousand).

Loans are issued to customers within the Republic of Kazakhstan carrying out activities in the agricultural sector of the economy.

9. FINANCE LEASE RECEIVABLES

The analysis of finance lease receivables at 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Less than 1 year	165.983.191	127.053.750
From 1 to 2 years	112.034.689	88.612.504
From 2 to 3 years	116.126.346	94.683.014
From 3 to 4 years	118.427.794	95.269.268
From 4 to 5 years	111.151.962	94.361.782
More than 5 years	291.086.880	284.657.366
Minimum lease payments	914.810.862	784.637.684
Less unearned finance income		
Less than 1 year	(9.007.082)	(7.195.510)
From 1 to 5 years	(143.185.844)	(128.466.182)
More than 5 years	(151.823.607)	(162.926.309)
Less unearned finance income, total	(304.016.533)	(298.588.001)
Allowance for expected credit losses	(60.541.922)	(37.626.120)
Finance lease receivables	550.252.407	448.423.563

In determining the ECL allowance for finance lease receivables as at 31 December 2024, management used the following key assumptions:

- the PD on finance lease receivables categorised into Stage 1 credit exposures was estimated at 0.61%-6.62% and for finance lease receivables categorised into Stage 2 credit exposures - from 14.14%-56%, depending on a borrower's segment and remaining maturities;
- the LGD parameter for finance lease receivables categorised into Stage 1 credit exposures averaged 14%; for finance lease receivables categorised into Stage 2 averaged 18.5%; and for finance lease receivables categorised into Stage 3 - 28.6%.

In determining the ECL allowance for finance lease receivables as at 31 December 2023, management used the following key assumptions:

- the PD on finance lease receivables categorised into Stage 1 credit exposures was estimated at 4.42%-22.7% and for finance lease receivables categorised into Stage 2 credit exposures - from 24.7%-65%, depending on a borrower's segment and remaining maturities;
- the LGD parameter for finance lease receivables categorised into Stage 1 credit exposures averaged 10%; for finance lease receivables categorised into Stage 2 averaged 9.5%; and for finance lease receivables categorised into Stage 3 - 25.45%.

Changes in the above estimates could affect the ECL allowance for finance lease receivables. For example, to the extent that the net present value of the estimated cash flows differs by plus one percent, allowance for expected credit losses on finance lease receivables as at 31 December 2024 would be KZT 989.386 thousand lower (31 December 2023: KZT 1.804.366 thousand).

The above facts affected the quality of the loan portfolio as the borrowers were provided the restructuring and extension with deferred payment of principal and interest.

It should be noted that the Company holds ongoing activities to reduce the risk of deterioration of asset quality, including monitoring the financial position of the borrowers/lessees, monitoring and insuring the leased items and collateral, and improving the methodology for asset impairment.

An analysis of changes in the ECL allowance for the year ended 31 December 2024 is as follows:

	2024				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	POCI Purchased or originated credit- impaired assets	Total
ECL allowance at 1 January 2024	3.053.459	3.422.778	31.141.676	8.207	37.626.120
New assets originated or purchased	6.477.294	–	–	11.004	6.488.298
Transfers to Stage 1	2.495.175	(2.301.558)	(193.617)	–	–
Transfers to Stage 2	(1.327.942)	3.788.845	(2.460.903)	–	–
Transfers to Stage 3	(690.956)	(5.237.348)	5.928.304	–	–
Net (reversal)/charge for the year, inclusive of repayments	(5.783.001)	3.919.006	18.389.091	9.658	16.534.754
Amounts written off	–	–	(107.250)	–	(107.250)
At 31 December 2024	4.224.029	3.591.723	52.697.301	28.869	60.541.922

An analysis of changes in the ECL allowance for the year ended 31 December 2023 is as follows:

	2023				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	POCI Purchased or originated credit- impaired assets	Total
ECL allowance at 1 January 2023	4.096.307	593.544	24.375.258	10.975	29.076.084
New assets originated or purchased	1.847.904	–	–	–	1.847.904
Transfers to Stage 1	1.456.926	(1.276.564)	(180.362)	–	–
Transfers to Stage 2	(988.716)	4.575.361	(3.586.645)	–	–
Transfers to Stage 3	(322.883)	(3.668.350)	3.991.233	–	–
Net (reversal)/charge for the year, inclusive of repayments	(3.036.079)	3.198.787	7.466.444	(2.768)	7.626.384
Amounts written off	–	–	(924.252)	–	(924.252)
At 31 December 2023	3.053.459	3.422.778	31.141.676	8.207	37.626.120

Credit quality of finance lease portfolio

The following table sets out information about the credit quality of the finance lease portfolio as at 31 December 2024 and 31 December 2023:

	31 December 2024				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	POCI Purchased or originated credit- impaired assets	Total
not overdue	386.152.147	15.726.363	77.338.987	26.109	479.243.606
overdue less than 30 days	18.437.345	4.076.425	23.461.390	3.219	45.978.379
overdue more than 31 days and less than 90 days	–	21.327.037	21.190.992	18.134	42.536.163
overdue more than 91 days and less than 180 days	–	–	9.775.438	25.572	9.801.010
overdue more than 181 days and less than 1 year	–	–	6.117.345	–	6.117.345
overdue more than 1 year	–	–	27.117.826	–	27.117.826
	404.589.492	41.129.825	165.001.978	73.034	610.794.329
Loss allowance	(4.224.029)	(3.591.723)	(52.697.301)	(28.869)	(60.541.922)
Total finance lease receivables	400.365.463	37.538.102	112.304.677	44.165	550.252.407

	31 December 2023				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL – not credit- impaired	Stage 3 Lifetime ECL – credit-impaired	POCI Purchased or originated credit- impaired assets	Total
not overdue	342.524.781	8.286.561	37.875.095	23.627	388.710.064
overdue less than 30 days	23.390.742	3.791.002	12.523.585	–	39.705.329
overdue more than 31 days and less than 90 days	–	14.301.047	7.258.120	–	21.559.167
overdue more than 91 days and less than 180 days	–	–	5.749.024	–	5.749.024
overdue more than 181 days and less than 1 year	–	–	3.967.786	–	3.967.786
overdue more than 1 year	–	–	26.358.313	–	26.358.313
	365.915.523	26.378.610	93.731.923	23.627	486.049.683
Loss allowance	(3.053.459)	(3.422.778)	(31.141.676)	(8.207)	(37.626.120)
Total finance lease receivables	362.862.064	22.955.832	62.590.247	15.420	448.423.563

Analysis of movements in gross carrying amounts

Increased funding secured for leases in 2024 caused the gross carrying value of the portfolio to grow by KZT 207.893.160 thousand (31 December 2023: KZT 140.575.098 thousand) and resulted in related increase in the portfolio loss allowance totalling KZT 6.477.294 thousand (31 December 2023: KZT 1.847.904 thousand).

Repayment of finance lease receivables classified into Stage 3 totalling KZT 10.309.260 thousand (31 December 2023: KZT 4.863.286 thousand) resulted in a decrease in ECL allowance of KZT 2.527.650 thousand (31 December 2023: KZT 1.308.660 thousand).

Transfer of finance lease receivables to Stage 3 totalling KZT 94.395.544 thousand (31 December 2023: KZT 62.339.896 thousand) resulted in an increase in ECL allowance of KZT 8.107.941 thousand (31 December 2023: KZT 6.727.300 thousand).

Transfer of finance lease receivables classified into Stage 3 to Stage 2 totalling KZT 19.865.307 thousand (31 December 2023: KZT 12.060.094 thousand) resulted in a decrease in ECL allowance of KZT 1.312.285 thousand (31 December 2023: KZT 1.489.955 thousand).

Transfer of finance lease receivables classified into Stage 1 to Stage 2 totalling KZT 72.688.740 thousand (31 December 2023: KZT 49.009.423 thousand) resulted in an increase in ECL allowance of KZT 2.142.530 thousand (31 December 2023: KZT 2.291.324 thousand).

Analysis of collateral

The following table provides information on collateral, leased assets and other credit enhancements securing finance lease receivables, net of loss allowance, as at 31 December 2024 and 2023, by types of collateral:

	31 December 2024		31 December 2023	
	Finance lease receivables, carrying amount	Fair value of collateral: for collateral assessed during the reporting period	Finance lease receivables, carrying amount	Fair value of collateral: for collateral assessed during the reporting period
Leases for which ECL are measured as 12-months ECL:				
Vehicles	389.962.802	389.962.802	355.775.945	355.775.945
Real estate	5.308.580	5.308.580	951.952	951.952
Equipment	4.914.228	4.914.228	5.847.298	5.847.298
Other assets	–	–	286.869	286.869
No collateral	179.854	–	–	–
Total leases for which ECL are measured as 12-months ECL	400.365.464	400.185.610	362.862.064	362.862.064
Leases for which ECL are measured as lifetime ECL for assets that are not credit-impaired:				
Vehicles	35.622.346	35.622.346	19.899.183	19.899.183
Real estate	1.312.154	1.312.154	1.373.436	1.225.824
Equipment	597.427	597.427	1.683.213	1.683.213
No collateral	6.174	–	–	–
Total leases for which ECL are measured as lifetime ECL for assets that are not credit-impaired	37.538.101	37.531.927	22.955.832	22.808.220
Leases for which ECL are measured as lifetime ECL for assets that are credit-impaired:				
Vehicles	94.051.029	94.051.029	53.350.433	53.350.433
Real estate	16.370.304	16.370.304	373.170	373.170
Equipment	1.749.866	1.749.866	6.959.977	6.959.977
Other assets	121.413	121.413	1.906.667	1.906.667
No collateral	12.065	–	–	–
Total leases for which ECL are measured as lifetime ECL for assets that are credit-impaired	112.304.677	112.292.612	62.590.247	62.590.247
POCI-assets				
Vehicles	44.165	44.165	15.420	15.420
Total POCI-assets	44.165	44.165	15.420	15.420
Total finance lease receivables	550.252.407	550.054.314	448.423.563	448.275.951

The table above excludes overcollateralisation.

Foreclosed leased assets

During the year ended 31 December 2024 the Company obtained foreclosed leased items for a total of KZT 1.233.874 thousand (2023: KZT 1.293.857 thousand).

Concentration of finance lease receivables

As at 31 December 2024, the Company has ten major independent parties, whose finance lease receivables balances totalled KZT 26.641.313 thousand or 4.36% of gross finance lease receivables (31 December 2023: KZT 26.334.604 thousand or 5.44%). At 31 December 2024, an ECL allowance for these receivables recognised by the Company amounted to KZT 4.347.488 thousand (31 December 2023: KZT 3.799.235 thousand).

10. ADVANCES PAID

As at 31 December 2024 and 2023, advances paid comprised:

	31 December 2024	31 December 2023
Advances paid for agricultural machinery	4.004.431	6.371.174
Advances paid for equipment	10.770	10.770
Other advances paid	442	367
	4.015.643	6.382.311
Impairment allowance (Note 22)	(11.283)	(11.283)
Advances paid	4.004.360	6.371.028

As at 31 December 2024 and 2023, advances comprised prepayments for supply of agricultural machinery, equipment and cattle to be subsequently leased out under a finance lease.

11. AMOUNTS DUE TO THE SHAREHOLDER

As at 31 December 2024 and 2023, amounts due to the Shareholder comprised:

	Contract	Currency	Maturity date	31 December 2024	31 December 2023
Agrarian Credit Corporation JSC	A loan agreement No. 20-076451-01-КЛ/2 of 16 July 2021	KZT	2026	3.294.418	4.937.227
Agrarian Credit Corporation JSC	A loan agreement No. 1669-ЦА-АБ/1 of 03 October 2022	KZT	2032	4.002.056	4.483.395
Agrarian Credit Corporation JSC	A loan agreement No.1595-ЦА-АБ/2 of 10 December 2019	KZT	2029	3.680.083	4.340.168
Agrarian Credit Corporation JSC	A loan agreement No. 1564-ЦА-АТ/1 of 28 December 2018	KZT	2025	1.972.839	3.879.962
Amounts due to the Shareholder				12.949.396	17.640.752

On 27 December 2018, the Company and Agrarian Credit Corporation JSC have entered into a framework agreement on opening a credit line No. 1564-ЦА-АТ, for a total of KZT 15.000.000 thousand; the credit line has a 7-year term and bears a nominal interest rate of 5.0 % p.a.; under the agreement the Company received KZT 13.000.000 thousand. The fair value of the funds received at initial recognition was estimated by discounting their contractual future cash flows, using a market interest rate of 8.32% p.a. The carrying value of this debt as at 31 December 2024 is KZT 1.972.839 thousand (31 December 2023: KZT 3.879.962 thousand).

On 28 November 2019, the Company and Agrarian Credit Corporation JSC have entered into a framework agreement on opening a credit line No. 1595-ЦА-АБ, for a total of KZT 15.000.000 thousand; the credit line has a 7-year term and bears a nominal interest rate of 5.0 % p.a.; under the agreement the Company received KZT 8.225.000 thousand. The fair value of the funds received at initial recognition was estimated by discounting their contractual future cash flows, using a market interest rate of 9.58% p.a. The carrying value of this debt as at 31 December 2024 is KZT 3.680.083 thousand (31 December 2023: KZT 4.340.168 thousand).

On 3 October 2022, the Company concluded with the Shareholder a Supplement Agreement No.1 to the contract ИД3 №1669-ЦА-АБ-1, whereby the facility has a 10-year term and bears a nominal interest rate of 13.0 % p.a.; under the agreement the Company received KZT 5.000.000 thousand. The fair value of the funds received at initial recognition was estimated by discounting their contractual future cash flows, using a market interest rate of 14.97% p.a. The carrying value of this debt as at 31 December 2024 is KZT 4.002.056 thousand (31 December 2023: KZT 4.483.395 thousand).

As at 31 December 2024 and 2023, the Company was in compliance with restrictive financial covenants under the loan agreements with the Shareholder. The amount due to the Shareholder is not secured by collateral.

12. AMOUNTS DUE TO BAITEREK NMH JSC

As at 31 December 2024 and 2023, amounts due to Baiterek NMH JSC comprised:

	Contract	Currency	Maturity date	31 December 2024	31 December 2023
Baiterek NMH JSC	A loan agreement № 25	KZT	2041	13.367.595	12.423.531
Amounts due to Baiterek NMH JSC				13.367.595	12.423.531

As part of optimisation of the structure of the loan previously provided by KazAgro National Managing Holding JSC to the Company from the funds of the National Fund of the Republic of Kazakhstan, by pooling amounts due under the agreements previously concluded, a Loan Agreement No. 25 was signed on 16 June 2021. The loan amount is KZT 50.000.000 thousand, the loan matures on 10 February 2041 and bears an interest rate of 1.02 % p.a., the discount rate is 11.98 % p.a. The purpose of the loan is purchase of locally manufactured and/or assembled agricultural machinery, including self-propelled, trailing and mounted equipment, as well as locally manufactured and/or assembled vehicles for the transportation of agricultural products, processed agricultural products and biological assets, for further transfer of the assets under a finance lease to entities operating in the agro-industry.

As at 31 December 2024 and 2023, the Company was in compliance with restrictive financial covenants under the agreements with Baiterek NMH JSC. The amount due to Baiterek NMH JSC is not secured by collateral.

13. AMOUNTS DUE TO CREDIT INSTITUTIONS

As at 31 December 2024 and 2023, amounts due to credit institutions comprised:

	Currency	Maturity date	31 December 2024	31 December 2023
Halyk Bank JSC	KZT	2025	6.548.053	27.549.404
Industrial Development Fund JSC	KZT	2037-2038	9.635.824	6.531.319
Amounts due to credit institutions			16.183.877	34.080.723

As part of providing the financing for projects implemented in processing and agro-industrial sector, aimed at improving the environment, in a manner and under the terms established by the Decree of the Government of the Republic of Kazakhstan of 2 September 2021 No. 604, on the Company signed the following agreements with Industrial Development Fund JSC.

On 13 August 2022, a loan agreement No.5-Д3.was signed. The loan amount is KZT 30.000.000 thousand; the loan term is until 7 August 2042, and a nominal interest rate is 0.35% p.a. Market interest rates used to calculate the fair value of the loan at initial recognition ranged from 13.8% to 14.19% p.a.

Due to amendments made to the Decree of the Government dated 2 September 2021, No. 604, in January 2024, the Company signed an addendum to the contract No.5-Д3 dated 13 August 2022 concluded with Industrial Development Fund JSC, to shorten the loan term from the year 2042 to the year 2038. Due to substantial modification of the terms of the contract, the Company derecognised an old loan and recognised a new financial liability at fair value. The market rate used to measure the fair value of the loan on initial recognition was 14.55% p.a. The amount of discount and income from the loan issued at the below-market interest rate decreased by KZT 2,074,623 thousand and was included into the adjustment for the government grant previously recognised (Note 16).

On 1 November 2023, a loan agreement No.9-Д3 was signed with Industrial Development Fund JSC. The loan amount is KZT 20.000.000 thousand; the loan term is until 25 October 2038, and a nominal interest rate is 0.35% p.a. The market interest rate used to calculate the fair value of the loan at initial recognition was 14.25% p.a. Income from the loan received at the below-market interest rate was recognised as government grant, which at the loan recognition date totalled KZT 16.846.775 thousand (Note 16).

The purpose of the loan is purchase of locally manufactured self-propelled agricultural machinery, for its further transfer under a finance lease.

The Company used the following assumptions to determine market interest rates on the dates of initial recognition of loans from Industrial Development Fund JSC:

- ♦ risk-free interest rates were determined based on the yield of long-term bonds issued by the Ministry of Finance of the Republic of Kazakhstan;
- ♦ the Company's premium paid for credit risk.

Financial covenants

Under the terms of loan agreements with credit institutions, the Company is obliged to comply with certain financial covenants, including prudential standards established by the NBRK for organisations, in which 100% of the voting shares are owned, directly or indirectly, by the national managing holding. As at 31 December 2024 and 31 December 2023 the Company was in compliance with the restrictive covenants under the agreements with the creditors.

14. DEBT SECURITIES ISSUED

As at 31 December 2024 and 2023, debt securities issued comprised:

	Maturity	Rate, %	Currency	31 December 2024	31 December 2023
Issue of coupon bonds	22 July 2031	15.75	KZT	99.971.539	-
Issue of coupon bonds	28 July 2029	16.85	KZT	52.635.248	52.514.871
Issue of coupon bonds	23 May 2029	13.96	KZT	50.420.528	-
Issue of coupon bonds	20 August 2028	11.9	KZT	41.618.434	41.594.821
Issue of coupon bonds	21 December 2031	11.5	KZT	25.079.216	25.079.159
The second bond issue as part of the third bond programme	12 July 2030	19.25	KZT	21.755.843	21.774.763
Issue of coupon bonds	30 January 2028	15.75	KZT	15.987.857	-
Issue of coupon bonds	30 April 2025	13.0	KZT	14.911.594	15.550.084
Issue of coupon bonds	30 January 2028	15.75	KZT	10.658.571	-
Issue of coupon bonds	30 April 2025	14.5	KZT	10.132.480	10.131.260
The fourth issue as part of the second bond programme	24 December 2024	12.0	KZT	-	19.868.067
The third issue of as part of the second bond programme	24 December 2024	12.0	KZT	-	19.789.366
The first issue of coupon bonds	12 June 2024	8.5	KZT	-	3.965.897
Debt securities issued				343.171.310	210.268.288

On 30 January 2024, the Company issued coupon bonds KZ2C00010841 (KAFIpp4), with a par value KZT 15.000.000 thousand, with maturity before 30 January 2028. Debt securities were issued to finance purchase of various agricultural equipment for further transfer under lease agreements.

On 30 January 2024, the Company issued coupon bonds KZ2C00010908 (KAFIpp5), with a par value of KZT 10.000.000 thousand, with maturity before 30 January 2028. Debt securities were issued for general corporate purposes.

On 23 May 2024, the Company issued coupon bonds KZ2C00011328 (KAFIpp6), with a par value KZT 50.000.000 thousand, with maturity before 23 May 2029. Debt securities were issued to finance purchase of various agricultural equipment for further transfer under lease agreements.

On 22 July 2024, the Company issued coupon bonds KZ2C00011674 (KAFIpp7), with a par value of KZT 100.000.000 thousand, and with maturity before 22 July 2031. Debt securities were issued to finance purchase of various domestically manufactured agricultural equipment for further transfer under lease agreements.

For the purposes of supporting manufacturers engaged in agricultural sector, the Government of the Republic of Kazakhstan developed a programme aimed at subsidising a coupon rate on debt securities issued, for the purpose of reducing interest rates for lessees. During 2024, the Company received government grants to fund coupon bonds KAFIpp7, in the amount of KZT 15.750.000 thousand, and coupon bonds KAFIpp6, in the amount of KZT 2.792.000 thousand. During 2024, the Company made a prepayment for the total amount of the subsidised coupon rate on the above debt securities issued. The prepaid amount was offset as soon as an interest expense on related debt securities issued had been recognised. As at 31 December 2024, the prepaid amount is KZT 9.938.789 thousand.

On 12 July 2023, the Company issued coupon bonds KZ2C00009843 (KAFIb13), with a par value of KZT 20.000.000 thousand, and with maturity before 12 July 2030. Debt securities were issued to provide financing to do the harvesting, under the signed finance lease agreements.

To meet the financing requirement, on 16 June 2023, the Company additionally issued bonds KZ2C00008514 (KAFIb12) to offer to various types of investors in the market, with the nominal value of KZT 9.832.756 thousand.

Due to that bonds reached maturity, the Company redeemed the following bonds:

- On 24 June 2024 – bonds redeemed under KZ2C00003267 (KAFIb4) amounted to KZT 4.117.875 thousand, including the nominal value of KZT 3.950.000 thousand and coupon value of KZT 167.875 thousand;
- On 25 December 2024 – bonds redeemed under KZ2C00006385 (KAFIb9) amounted to KZT 21.181.980 thousand, including the nominal value of KZT 19.983.000 thousand and coupon value of KZT 1.198.980 thousand;
- On 26 December 2024 – bonds redeemed under KZ2C00006781 (KAFIb10) amounted to KZT 21.246.667 thousand, including the nominal value of KZT 20.000.000 thousand and coupon value of KZT 1.246.667 thousand;
- On 24 January 2023 – bonds redeemed under KZ2C00002749 (KAFIb3) amounted to KZT 17.630.340 thousand, including the nominal value of KZT 16.952.250 thousand and coupon value of KZT 678.090 thousand;
- On 13 November 2023 – bonds redeemed under KZ2C00003747 (KAFIb7) amounted to KZT 12.720.000 thousand, including the nominal value of KZT 12.000.000 thousand and coupon value of KZT 720.000 thousand.

As at 31 December 2024 and 2023, the Company complied with the restrictive covenants related to the debt securities issued.

15. PAYABLES TO SUPPLIERS

As at 31 December 2024 and 2023, accounts payable to suppliers comprise the Company's payables to suppliers for property to be subsequently transferred under a finance lease, as follows:

	31 December 2024	31 December 2023
Agricultural machinery	505.515	3.295.074
Equipment	365.798	1.674.452
Cattle	828	761
Other	255.105	238.975
Payables to suppliers	1.127.246	5.209.262

16. GOVERNMENT GRANTS

	2024	2023
Government grants at 1 January	43.518.065	27.025.951
Government grants for loans from Industrial Development Fund JSC (Note 13)	(2.074.623)	16.846.775
Government grants for reimbursement of a coupon rate on debt securities issued (Note 14)	18.542.000	-
Utilisation of government grants for debt securities issued	(8.603.211)	-
Amortisation for the year	(1.027.148)	(354.661)
Government grants at 31 December	50.355.083	43.518.065

In 2023, the Company recognised as government grants the benefit of KZT 16.846.775 thousand, received as the result of receiving loans from Industrial Development Fund JSC at a low interest rate (the contractual interest rate of 0.35% p.a.) for the purpose of financing the preferential leasing programme for locally manufactured self-propelled agricultural equipment.

The benefits are to be allocated to the Company's lessees by providing finance leases at favourable rates. The amortisation of subsidies for loans received from Industrial Development Fund JSC is recognised by reducing related interest expenses, in the statement of profit or loss and other comprehensive income.

In January 2024, the Company signed an addendum as to shorten the loan term, wherefore the amount of government grant reduced by KZT 2,074,623 thousand (Note 13).

In July and November 2024, the Company recognised as government grants the amount of KZT 18.542.000 thousand, received for reimbursement of a coupon rate on debt securities issued (Note 14). The income from utilisation of government grants for debt securities issued is recognised by reducing related interest expenses, in the statement of profit or loss and other comprehensive income.

17. TAXATION

Corporate income tax benefit/(expense) comprises:

	2024	2023
Current corporate income tax expense	(961.592)	(453.911)
Deferred corporate income tax benefit - origination and reversal of temporary differences	2.684.844	451.963
Corporate income tax benefit/(expense)	1.723.252	(1.948)

As at 31 December 2024, the Company's current corporate income tax assets totalled KZT 134.115 thousand (31 December 2023: KZT 134.115 thousand).

The corporate income tax rate for the Company was 20.0% in 2024 and 2023.

The effective CIT rate differs from the statutory CIT rate. Below is the reconciliation of corporate income tax expense based on the statutory rate with corporate income tax benefit recorded in the financial statements:

Reconciliation of effective tax rate:

	2024	%	2023	%
Profit before income tax	18.621.704	100	18.930.123	100
Income tax at the applicable tax rate	(3.724.341)	(20.0)	(3.786.025)	(20.0)
Non-taxable interest income on finance lease receivables	11.077.675	59.5	6.822.955	36.0
Corporate income tax expense withheld at the source of payment	(961.592)	(5.2)	(453.911)	(2.4)
Non-deductible credit loss expenses	(4.548.220)	(24.4)	(2.415.154)	(12.8)
Other non-deductible expenses	(120.270)	(0.6)	(169.813)	(0.9)
Corporate income tax benefit/(expense)	1.723.252	9.3	(1.948)	-

Deferred corporate income tax assets and liabilities, and their movement for the respective years comprised the following at 31 December:

	2022	Recognised in profit or loss	2023	Recognised in profit or loss	2024
Tax effect of deductible temporary differences					
Loans to customers	–	8.536	8.536	35.765	44.301
Finance lease receivables	89.371	62.089	151.460	411.754	563.214
Government grants	5.405.190	3.298.423	8.703.613	1.367.404	10.071.017
Accrued expenses for unused vacation time	89.982	6.611	96.593	8.488	105.081
Forfeits recognised in accordance with the court ruling	352.414	(21.014)	331.400	1.425	332.825
Property, plant and equipment and intangible assets	–	–	–	27.615	27.615
Deferred corporate income tax assets	5.936.957	3.354.645	9.291.602	1.852.451	11.144.053
Tax effect of taxable temporary differences					
Loans to customers	(194)	194	–	–	–
Amounts due to the Shareholder	(272.421)	75.146	(197.275)	61.499	(135.776)
Amounts due to Baiterek NMH JSC	(7.722.819)	167.858	(7.554.961)	188.813	(7.366.148)
Debt securities issued	(155.097)	66.549	(88.548)	66.734	(21.814)
Amounts due to credit institutions	(5.338.164)	(3.236.367)	(8.574.531)	506.498	(8.068.033)
Property, plant and equipment and intangible assets	(32.787)	23.938	(8.849)	8.849	–
Deferred corporate income tax liabilities	(13.521.482)	(2.902.682)	(16.424.164)	832.393	(15.591.771)
Net deferred corporate income tax liability	(7.584.525)	451.963	(7.132.562)	2.684.844	(4.447.718)

Reconciliation of effective tax rate:

Deferred corporate income tax assets are recognised only to the extent that it is probable that the future taxable profit will be available against which an asset can be utilised. Deferred corporate income tax assets are decreased to the extent that it is no longer probable that a respective tax benefit will be realised.

18. ADVANCES RECEIVED

As at 31 December 2024, advance received of KZT 5.131.334 thousand (31 December 2023: KZT 5.013.679 thousand) comprised prepayments from clients for property held for leasing out under a finance lease, that was acquired under finance lease agreements but not yet transferred to lessees, as well as prepayments made under finance lease agreements.

19. OTHER ASSETS AND LIABILITIES

As at 31 December 2024 and 2023, other assets comprised:

	31 December 2024	31 December 2023
Other financial assets		
Receivables for reimbursement of lost leasing items	72.936	61.139
Other receivables	827.532	825.990
	900.468	887.129
Allowance for ECL	(844.792)	(823.894)
Total other financial assets	55.676	63.235
Other assets		
Other current assets (VAT receivable on lease payments)	1.450.917	1.321.015
Deferred expenses	232.763	171.313
Settlements with employees	504	731
	1.684.184	1.493.059
Provision (Note 22)	(455.693)	(349.015)
Total other assets	1.228.491	1.144.044

As at 31 December 2024 and 2023, other liabilities comprised:

	31 December 2024	31 December 2023
Other financial liabilities		
Investment subsidies to customers	1.888.444	–
Deferred interest income	1.607.057	1.521.644
Subsidies payable to customers	550.114	179.780
Allowance for ECL for credit related commitments (Note 20)	124.770	124.950
Other financial liabilities	4.170.385	1.826.374
Other non-financial liabilities		
Personnel expenses accrued	526.429	484.131
Mandatory payments to the budget payable and payables to employees	52.072	41.690
Taxes other than corporate income tax, payable	44.932	38.862
Other current liabilities	55.694	56.632
Other non-financial liabilities	679.127	621.315
Other liabilities	4.849.512	2.447.689

20. EQUITY

During 2023, the Company's share capital was increased through the issue of ordinary shares, with par value of KZT 20.000.000 thousand.

As at 31 December 2024 and 2023, the authorised and paid share capital comprised 102.837.204 ordinary shares at the offering price of KZT 1.000 per share. The owner of an ordinary share has the right to one vote and an equal right for dividends. Distributable income is determined based on income recorded in the Company's financial statements.

In accordance with the decision of the Shareholder of 24 May 2024, the Company declared dividends for 2023 of KZT 13.249.722 thousand or KZT 128.84 per an ordinary share. During the reporting period, the dividends were fully paid. In accordance with the decision of the Shareholder of 30 May 2023, the Company declared dividends for 2022 in the amount of KZT 10.309.687 thousand or KZT 124,46 per an ordinary share. As at 31 December 2023, the dividends were paid in full.

Under the Company's policy, reserve capital is formed to cover general risks, including deferred losses and other contingent risks and liabilities. The reserve capital is subject to distribution based on the Shareholder's decision made at the general meeting of shareholders. During the twelve months of 2024 and 2023, reserve capital remained unchanged.

As at 31 December 2024 and 2023, the reserve capital amounted to KZT 1.436.184 thousand.

As of 31 December 2024, the book value per ordinary share calculated as per the Kazakhstan Stock Exchange methodology is KZT 1.869,98 (2023: KZT 1.800,48). The book value per ordinary share as at 31 December 2024 and 31 December 2023 was calculated as follows:

	31 December 2024	31 December 2023
Assets	644.247.205	523.303.451
Intangible assets	(360.931)	(412.854)
Liabilities	(451.583.071)	(337.734.551)
Net assets	192.303.203	185.156.046
The number of ordinary shares at the calculations date	102.837.204	102.837.204
The book value per share in KZT	1.869,98	1.800,48

The following table shows the profit and number of shares used to calculate basic and diluted earnings per share:

	2024	2023
Net profit for the year	20.344.956	18.928.175
A weighted average number of ordinary shares for the year ended 31 December	102.837.204	91.165.971
Basic and diluted earnings per ordinary share (KZT)	197,84	207,62

As at 31 December 2024 and 2023, the Company has no financial instruments, which dilute earnings per share.

21. COMMITMENTS AND CONTINGENCIES

Litigation

In the ordinary course of business, the Company is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints, will not have a material adverse effect on the Company's operations and financial position.

Management is unaware of any significant or pending and threatened claims against the Company.

Taxation

Kazakhstani commercial, and in particular, tax legislation contains regulations, interpretation of which could vary, and in certain cases, the legislation could be amended with indirect retrospective impact. Also, the Company's management's interpretation of the legislation may differ from that of tax authorities, and as a result, transactions carried out by the Company could be estimated by tax authorities in another way, and this could result in an additional charge of taxes, fines and penalties. The Company's management believes that all necessary tax accruals were fulfilled and, correspondingly, there were no allowances charged in the statements. Tax periods remain open for 5 (five) years.

Credit related commitments

As at 31 December 2024 and 2023, the Company's commitments and contingencies comprised:

	31 December 2024	31 December 2023
Credit related commitments		
Finance lease commitments	6.190.406	14.621.791
Credit related commitments before ECL allowance	6.190.406	14.621.791
ECL allowance	(124.770)	(124.950)
Total	6.065.636	14.496.841

The total outstanding amount of undrawn credit lines under the contracts does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded.

The analysis of movements in ECL allowance for finance lease commitments for the years ended 31 December 2024 and 2023 is as follows: As at 31 December 2024 and 31 December 2023, the Company recognised an ECL allowance for undrawn credit lines at an amount equal to 12-months ECL.

	Undrawn credit lines	Total
ECL allowance at 1 January 2023	176.215	176.215
Changes in ECL for the year	(51.265)	(51.265)
At 31 December 2023	124.950	124.950
Changes in ECL for the year	(180)	(180)
At 31 December 2024	124.770	124.770

22. CREDIT LOSS EXPENSES

The table below presents the ECL expense on financial instruments recognised in profit or loss for the year ended 31 December 2024 and 31 December 2023:

	Note	2024	2023
Loans to customers	8	438.142	(2.555.380)
Cash and cash equivalents		(738)	2.050
Amounts due from credit institutions		(22)	3
Credit related commitments	21	180	51.265
Finance lease receivables	9	(23.023.052)	(9.474.288)
Other financial assets		(155.612)	(99.423)
Total		(22.741.102)	(12.075.773)

The movement in the impairment allowance and other provisions was as follows:

	Inventories	Advance paid	Other assets	Total
At 1 January 2023	(672.706)	(11.283)	(385.467)	(1.069.456)
Charge for the year	(524.764)	–	35.824	(488.940)
Write-off of assets	769.915	–	628	770.543
At 31 December 2023	(427.555)	(11.283)	(349.015)	(787.853)
Charge for the year	(47.039)	–	(106.678)	(153.717)
Write-off of assets	77.594	–	–	77.594
At 31 December 2024	(397.000)	(11.283)	(455.693)	(863.976)

Impairment allowance for assets is deducted from the value of respective assets.

23. OTHER INCOME

Other income comprises:

	2024	2023
Income from reimbursement of expenses	207.597	8.350
Fines and penalties received	91.880	96.418
Income from reversal of provisions for inventories	–	31.660
Other	166.905	322.553
Other income	466.382	458.981

Fines and penalties were received by the Company from suppliers for untimely delivery of equipment held for a finance lease.

24. PERSONNEL AND OTHER OPERATING EXPENSES

Personnel and other operating expenses comprise:

	2024	2023
Personnel expenses	(4.038.049)	(3.603.667)
Social security expenses	(460.404)	(361.009)
Personnel expenses	(4.498.453)	(3.964.676)
Repair and maintenance of PPE and IA	(472.548)	(394.815)
Outsourcing costs	(183.337)	(160.728)
Operating lease expense	(173.940)	(153.724)
Depreciation of property, plant and equipment	(110.478)	(150.336)
Consulting services/professional services	(137.018)	(93.351)
Amortisation of software and other intangible assets	(121.196)	(126.458)
Other taxes other than corporate income tax	(81.959)	(88.890)
Business travel expenses	(78.667)	(82.093)
Transportation services	(72.758)	(36.857)
Information services	(49.201)	(25.810)
Communication services	(42.104)	(39.313)
Materials	(41.354)	(46.602)
Marketing and advertising services	(35.677)	(48.813)
Employee training programmes	(22.600)	(15.883)
Costs of assigning/watching/maintaining ratings services	(17.638)	(15.174)
Stationary and printing services	(17.304)	(20.969)
Insurance	(10.515)	(4.445)
Charity and sponsorship	(9.912)	(2.205)
The Board of Directors administrative expenses	(9.400)	(9.176)
Other	(220.772)	(187.730)
Other operating expenses	(1.908.378)	(1.703.372)

The service fee for the audit of the Company's financial statements prepared in accordance with IFRS Accounting Standards as at and for the year ended 31 December 2024 amounted to KZT 103.540 thousand, excluding VAT (31 December 2023: KZT 74.800 thousand). This amount also includes the service fee for translation, formatting and proofreading of financial statements.

25. RISK MANAGEMENT

Introduction

Risk is inherent in the Company's activities. The Company manages these risks through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. The Company is also exposed to operating risks.

The independent risk control process does not include business risks such as changes in the economic environment, technology and industry. They are monitored through the Company's strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies responsible for managing and monitoring risks.

The Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

The Management Board

The Management Board has the responsibility to monitor the overall risk process within the Company.

Risk Management

The risk management unit is responsible for implementing and maintaining risk related procedures to ensure an independent control process.

Risk Control

The risk control unit is responsible for monitoring compliance with risk principles, policies and limits, across the Company. The Company's structure comprises a separate unit that is directly subordinate to the Board of Directors and which is responsible for the independent control of risks, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. This department also ensures the complete capture of the risks in risk measurement and reporting systems. There are risk managers for risk controlling in the branches of the Company.

Treasury

The Company Treasury is responsible for managing the Company's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

Internal Audit

The objective of an internal audit is to provide the Board of Directors with an independent, objective and unbiased information based on annual audits, both of adequacy of procedures and compliance with these procedures by the Company. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations directly to the Board of Directors.

Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Company also runs worst-case scenarios that would arise if extreme events which are unlikely to occur do occur.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries. Also, the Company monitors and measures the overall risk-bearing capacity about the aggregate risk exposure across all risks types and activities.

Information compiled from all the businesses is examined and processed to analyse, control and early identify risks. This information is presented to the Board of Directors, the Management Board, Credit Committee and the heads of departments. The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, VaR, liquidity ratios, interest risk ratios and risk profile changes.

For all levels throughout the Company, specifically tailored risk reports are prepared and distributed to ensure that all business divisions have access to extensive, necessary and up-to-date information.

The Company's Management Board and other relevant employees' meetings are regularly held to discuss maintenance of established limits and analyse value allowing for risk, investments, liquidity, and risk developments.

Risk mitigation

As part of its overall risk management, the Company uses derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies exchange rates, and share prices, credit risk and exposures arising from forecast transactions.

The Company actively uses collateral to reduce its credit risks.

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and geographical and industry concentrations, and by monitoring exposures for such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Credit risk is reviewed on an ongoing basis. The credit quality review process allows the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position. The maximum exposure to credit risk from financial assets at the reporting date is as follows:

	31 December 2024	31 December 2023
Assets		
Cash and cash equivalents	53.631.090	43.800.988
Amounts due from credit institutions	2.433.970	-
Loans to customers	7.556.690	8.110.763
Finance lease receivables	550.252.407	448.423.563
Coupon rate on debt securities issued prepaid	9.938.789	-
Other financial assets	55.676	63.235
Total maximum credit risk exposure	623.868.622	500.398.549

Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position.

Credit-related commitments risks

The Company makes available to its customers the guarantees which may require that the Company make payments on their behalf. Such payments are collected from customers based on the terms of the letter of credit. They expose the Company to similar risks to loans and these are mitigated by the same control processes and policies.

The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in Note 20.

Impairment assessment

The Company calculates ECL based on several probability-weighted scenarios to measure the expected cash shortfalls, discounted at, and at an approximation to, the EIR. A cash shortfall is a difference between the cash flows that are due to an entity following the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculation are outlined below and the key elements are as follows:

Probability of default (PD)	The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.
Exposure at Default (EAD)	The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest from missed payments.
Loss Given Default (LGD)	The Loss Given Default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The allowance for ECL is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 monthss' expected credit loss (12mECL). The 12mECL is the portion of LTECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 monthss after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The allowance for ECL is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 monthss' expected credit loss (12mECL). The 12mECL is the portion of LTECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 monthss after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of a default occurring over the remaining life of the financial instrument. Based on the above process, the Company groups its financial assets as described below:

Stage 1:	When assets are first recognised, the Company recognises an allowance based on 12mECL. Stage 1 also includes loans, finance lease receivables and other credit lines, where the credit risk has improved and the loan has been reclassified from Stage 2.
Stage 2:	When an asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL. Stage 2 also include loans, finance lease receivables and other credit lines, where the credit risk has improved and the loan has been reclassified from Stage 3.
Stage 3:	Assets considered credit-impaired. The Company recognises an allowance for the LTECL.
POCI:	Purchased or originated credit-impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest revenue is subsequently recognised based on a credit-adjusted EIR. ECL is only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses.

In estimating the ECL, the Company considers three scenarios: basic, optimistic, and pessimistic. Each of them has its PD, EAD and LGD indicators. In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs. Impairment losses and consideration are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. At year end, the Company has revised the allowance calculation methodology, as to changing the portfolio segmentation and developing transition matrices based on the number of contracts.

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Company considers treasury and interbank transactions defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements. The expected credit loss on securities, deposits, current account funds is calculated based on external credit ratings assigned by international rating agencies - Fitch Ratings, Moody's Investors Service, S&P GlobalRatings. In determining the allowance as at 31 December 2024, management makes the following key assumptions:

- ♦ PDs for treasury assets classified as Stage 1 instruments were 0.1%-0.97%, depending on the counterparty's rating.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- ♦ Availability of the Company's information on force majeure, as well as other circumstances that caused substantial material damage to the borrower (co-borrower) and do not allow the borrower to continue its business activities, including the information on revocation/suspension of a licence for activities, as well as the information on the borrower's (co-borrowers) unemployment or absence of commercial activities.

- ♦ Objectively supportable information about the high probability of bankruptcy or reorganisation, as well as the involvement of the borrower (co-borrower) in legal proceedings, which may worsen its financial condition. The Company considers the following events as this information:
 - ♦ Availability of information about the death of the borrower-individual (co-borrower individual);
 - ♦ Cross-default for more than 60 calendar days inclusive (if the information is available);
 - ♦ Downgrading the external credit rating of the counterparty to “CC” and lower assigned by Standard & Poor’s, Moody’s Investors Service and Fitch rating agencies;
 - ♦ Absence of an active market for that financial asset because of financial difficulties.

Treasury and interbank relationships

The treasury and interbank relationships and counterparties comprise financial services institutions, banks, broker-dealers. For these relationships, the Company’s Finance Department and Risk Management Department analyse publicly available information such as financial statements and other external data, e.g., the external ratings.

Loss given default (LGD)

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held. The Company segments its lending products into homogeneous portfolios, based on key characteristics of credit risk that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., collateral types) as well as borrower characteristics.

Where appropriate, further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in collateral values and payment status.

LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI segment of each asset class. Baseline data for such LGD levels are evaluated and, where possible, adjusted through testing based on historical data, taking into account recent recoveries. If necessary, such data is determined for each economic scenario.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. To determine whether an instrument or a portfolio of instruments is subject to 12-months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company believes that the credit risk on a financial instrument has increased significantly since its initial recognition if the following indicators of a significant increase in credit risk were identified:

- ♦ Delay of 30 (thirty) calendar days or more;

- ♦ The Company has information about the outstanding principal and/or interest of the borrower (co-borrower) from 31 to 60 and 90 calendar days including for loans issued and finance lease receivables, respectively, in other credit institutions (if the Company has information);
- ♦ Assets from the moment of restructuring and/or prolongation of which more than 12 monthss have passed, but less than 24 months inclusively, for which there is no delay or a delay of no more than 60 and 90 days as at the reporting date for loans issued and finance lease receivables, respectively;
- ♦ Assets from the moment of restructuring and/or prolongation of which more than 24 months have passed, and for which there is a delay of more than 30 days, but less than 60 and 90 days as at the reporting date for loans issued and finance lease receivables, respectively;
- ♦ Actual or expected (based on reasonable and supportable information) downgrading the external credit rating of the borrower;
- ♦ A significant change in the quality of the guarantee provided by second-tier banks, namely a change in the second-tier banks’ rating (downgrade by two notches or more), resulting in a significant increase in credit risk, under the approach used for treasury assets (if a guarantee is available);
- ♦ Deterioration of financial condition.

The Company also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/asset to the watch list, or the account becoming restructured due to a credit event. In certain cases, the Company may also consider that events explained in “Definition of default” section above are a significant increase in credit risk as opposed to a default. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

For cash and cash equivalents and amounts due from credit institutions, the Company considers credit risk of a particular exposure is deemed to have increased significantly since initial recognition, if the issuer’s credit rating decreased by 2 points or more since initial recognition.

Forward-looking information and multiple economic scenarios

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- ♦ producer price index of agricultural products;
- ♦ grain prices;
- ♦ volume index of gross livestock production;
- ♦ exchange rate between tenge and US dollar;
- ♦ volume index of gross crop production.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Company obtains the forward-looking information from third party sources (external rating agencies, governmental bodies e.g., international financial institutions). The Company determines the weights attributable to the multiple scenarios.

Liquidity risk and funding management

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources. Management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's payments that comprise of the principle and interest/coupon on financial liabilities at 31 December based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many creditors will not request repayment on the earliest date the Company could be required to pay.

	Less than 3 months	From 3 to 12 monthss	From 1 to 5 years	More than 5 years	Total
31 December 2024					
Amounts due to the Shareholder	1.180.086	4.873.101	8.935.140	1.954.459	16.942.786
Amounts due to NMH Baiterek JSC	255.000	255.000	2.040.000	55.253.000	57.803.000
Amounts due to credit institutions	195.689	6.869.266	700.000	51.466.932	59.231.887
Debt securities issued	18.361.250	54.494.722	337.153.750	186.100.000	596.109.722
Total undiscounted financial liabilities	19.992.025	66.492.089	348.828.890	294.774.391	730.087.395

	Less than 3 months	From 3 to 12 monthss	From 1 to 5 years	More than 5 years	Total
31 December 2023					
Amounts due to the Shareholder	1.259.923	5.195.239	13.345.022	3.597.764	23.397.948
Amounts due to NMH Baiterek JSC	255.000	255.000	2.040.000	55.763.000	58.313.000
Amounts due to credit institutions	11.133.582	11.807.012	7.590.097	52.166.789	82.697.480
Debt securities issued	8.517.500	63.738.002	145.918.472	119.750.000	337.923.974
Total undiscounted financial liabilities	21.166.005	80.995.253	168.893.591	231.277.553	502.332.402

The table below shows the contractual expiry by maturity of the Company's contractual commitments and contingencies. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

	Less than 3 months	From 3 to 12 monthss	From 1 to 5 years	More than 5 years	Total
2024	6.190.406	-	-	-	6.190.406
2023	14.621.791	-	-	-	14.621.791

The Company expects that not all of the contingent liabilities or commitments will be drawn before the expiry of the commitments.

The Company's capability to meet its liabilities depends upon its ability to realise an equivalent amount of assets within the certain period of time.

The Company has received significant funds from the Shareholder and NMH Baiterek JSC. Management believes that this level of funding will remain with the Company for the foreseeable future and that in the event of withdrawal of funds, the Company would be given sufficient notice so as to realise its liquid assets to enable repayment.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchanges, and equity prices. The market risk for the trading portfolio is monitored using sensitivity analysis. Except for the concentrations within a foreign currency, the Company has no significant concentration of market risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The interest rate for assets and liabilities of the Company is fixed.

Interest rate risk arises when the actual or forecasted assets of a given maturity period are either greater or less than the actual or forecasted liabilities in that maturity period.

Interest rate gap analysis

Interest rate risk is managed principally through monitoring interest rate gaps. A summary of the interest gap position for major financial instruments is as follows:

	31 December 2024						Total
	Demand and less than 3 months	3-6 months	6-12 monthss	1-5 years	More than 5 years	Non-interest bearing	
Assets							
Cash and cash equivalents	53.630.207	-	-	-	-	883	53.631.090
Amounts due to credit institutions	-	-	2.433.970	-	-	-	2.433.970
Loans to customers	3.254.165	85.219	2.545.141	1.479.714	192.451	-	7.556.690
Finance lease receivables	54.378.536	16.255.046	60.526.151	290.685.851	128.406.823	-	550.252.407
Prepaid coupon interest on debt securities issued	-	-	-	-	-	9.938.789	9.938.789
Other financial assets	-	-	-	-	-	55.676	55.676
Total financial assets	111.262.908	16.340.265	65.505.262	292.165.565	128.599.274	9.995.348	623.868.622
Liabilities							
Amounts due to the Shareholder	1.073.982	991.906	3.011.455	6.443.663	1.428.390	-	12.949.396
Amounts due to NMH Baiterek JSC	198.333	-	-	-	13.169.262	-	13.367.595
Amounts due to credit institutions	76.138	6.471.914	52.118	-	9.583.707	-	16.183.877
Debt securities issued	8.705.671	25.566.002	-	163.914.279	144.985.358	-	343.171.310
Payables to suppliers	-	-	-	-	-	1.127.246	1.127.246
Other financial liabilities	-	-	-	-	-	4.170.385	4.170.385
Total financial liabilities	10.054.124	33.029.822	3.063.573	170.357.942	169.166.717	5.297.631	390.969.809
Net position	101.208.784	(16.689.557)	62.441.689	121.807.623	(40.567.443)	4.697.717	232.898.813

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The table below displays the Company's interest-bearing assets and liabilities as at 31 December 2024 and 2023 and their corresponding average effective interest rates as at that date. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	31 December 2024		31 December 2023	
	Carrying amount '000 KZT	Average effective interest rate	Carrying amount '000 KZT	Average effective interest rate
Interest-bearing assets				
Cash and cash equivalents				
in tenge	53.120.771	13,86%	35.293.342	16,04%
in US dollars	527.436	2,75%	3.507.708	1,26%
Amounts due from credit institutions				
in US dollars	2.433.970	2,52%	-	-
Loans to customers				
in tenge	7.556.690	11,83%	8.110.763	11,78%
Finance lease receivables				
in tenge	550.252.407	15,78%	448.423.563	15,50%
Interest-bearing liabilities				
Amounts due to the Shareholder				
in tenge	12.949.396	11,79%	17.640.752	11,29%
Amounts due to NMH Baiterek JSC				
in tenge	13.367.595	11,98%	12.423.531	11,98%
Amounts due to credit institutions				
in tenge	16.183.877	13,95%	34.080.723	15,29%
Debt securities issued				
in tenge	343.171.310	15,09%	210.268.288	14,27%

Cash flow interest rate sensitivity analysis

An analysis of the sensitivity of the Company's net income for the year and equity to changes in the market interest rate based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at 31 December 2024 and 31 December 2023 is as follows:

	2024		2023	
	Profit	Equity	Profit	Equity
100 bp parallel rise	(1.114.733)	(1.114.733)	(425.238)	(425.238)
100 bp parallel fall	1.114.733	1.114.733	425.238	425.238

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Management Board has set limits on positions by currency based on the NBRK recommendations. Positions are monitored daily.

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2024:

	31 December 2024			
	Tenge	US dollar	Euro	Total
Assets				
Cash and cash equivalents	53.103.654	527.436	-	53.631.090
Amounts due from credit institutions	-	2.433.970	-	2.433.970
Loans to customers	7.556.690	-	-	7.556.690
Finance lease receivables	550.252.407	-	-	550.252.407
Prepaid coupon interest on debt securities issued	9.938.789	-	-	9.938.789
Other financial assets	33.835	6.720	15.121	55.676
Total assets	620.885.375	2.968.126	15.121	623.868.622
Liabilities				
Amounts due to the Shareholder	12.949.396	-	-	12.949.396
Amounts due to NMH Baiterek JSC	13.367.595	-	-	13.367.595
Amounts due to credit institutions	16.183.877	-	-	16.183.877
Debt securities issued	343.171.310	-	-	343.171.310
Payables to suppliers	803.814	166.556	156.876	1.127.246
Other financial liabilities	4.170.385	-	-	4.170.385
Total liabilities	390.646.377	166.556	156.876	390.969.809
Net position	230.238.998	2.801.570	(141.755)	232.898.813

	31 December 2023			
	Tenge	US dollar	Euro	Total
Assets				
Cash and cash equivalents	40.293.280	3.507.708	–	43.800.988
Loans to customers	8.110.763	–	–	8.110.763
Finance lease receivables	448.423.563	–	–	448.423.563
Other financial assets	58.742	2.202	2.291	63.235
Total assets	496.886.348	3.509.910	2.291	500.398.549
Liabilities				
Amounts due to the Shareholder	17.640.752	–	–	17.640.752
Amounts due to NMH Baiterek JSC	12.423.531	–	–	12.423.531
Amounts due to credit institutions	34.080.723	–	–	34.080.723
Debt securities issued	210.268.288	–	–	210.268.288
Payables to suppliers	2.378.642	1.651.742	1.178.878	5.209.262
Other financial liabilities	1.826.374	–	–	1.826.374
Total liabilities	278.618.310	1.651.742	1.178.878	281.448.930
Net position	218.268.038	1.858.168	(1.176.587)	218.949.619

The tables below indicate the currencies to which the Company had significant exposure on 31 December on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculates the currency rate against tenge, with all other variables held constant on the statement of profit or loss and other comprehensive income (due to the fair value of currency sensitive trading monetary assets and liabilities). The effect on equity does not differ from the effect on the statement of profit or loss and other comprehensive income. All other parameters are held as constant. The negative amount in the table reflects a potential net reduction in the statement of profit or loss and other comprehensive income or equity, while a positive amount reflects a net potential increase.

Currency	2024		2023	
	Exchange rate change %	Effect on pre-tax profit	Exchange rate change %	Effect on pre-tax profit
US dollar	-10%	(224.126)	-10%	(148.653)
US dollar	10%	224.126	10%	148.653
Euro	-20%	22.681	-20%	188.254
Euro	20%	(22.681)	20%	(188.254)

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but a control framework and monitoring and responding to potential risks could be effective tools to manage the risks. Controls should include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

26. FAIR VALUE MEASUREMENT

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- ♦ **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;
- ♦ **Level 2:** techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- ♦ **Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides an analysis of financial instruments recorded by the level of the fair value hierarchy as of 31 December 2024:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
31 December 2024				
Assets with a disclosed fair value				
Cash and cash equivalents	–	53.631.090	–	53.631.090
Amounts due from credit institutions	–	2.433.970	–	2.433.970
Loans to customers	–	384.101	3.425.866	3.809.967
Finance lease receivables	–	378.664.318	95.265.418	473.929.736
Prepaid coupon interest on debt securities issued	–	9.938.789	–	9.938.789
Other financial assets	–	55.676	–	55.676
Total financial assets with a disclosed fair value	–	445.107.944	98.691.284	543.799.228
Financial liabilities with a disclosed fair value				
Amounts due to the Shareholder	–	12.845.525	–	12.845.525
Amounts due to NMH Baiterek JSC	–	11.941.548	–	11.941.548
Amounts due to credit institutions	–	17.737.426	–	17.737.426
Debt securities issued	–	360.724.426	–	360.724.426
Accounts payable	–	1.127.246	–	1.127.246
Other financial liabilities	–	4.170.385	–	4.170.385
Total financial liabilities with a disclosed fair value	–	408.546.556	–	408.546.556

The following table provides an analysis of financial instruments recorded by the level of the fair value hierarchy as of 31 December 2023:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
31 December 2023				
Assets with a disclosed fair value				
Cash and cash equivalents	–	43.800.988	–	43.800.988
Loans to customers	–	729.632	4.506.681	5.236.313
Finance lease receivables	–	357.177.179	51.391.458	408.568.637
Other financial assets	–	63.235	–	63.235
Total financial assets with a disclosed fair value	–	401.771.034	55.898.139	457.669.173
Financial liabilities with a disclosed fair value				
Amounts due to the Shareholder	–	16.834.026	–	16.834.026
Amounts due to NMH Baiterek JSC	–	10.111.675	–	10.111.675
Amounts due to credit institutions	–	34.030.860	–	34.030.860
Debt securities issued	–	203.587.505	–	203.587.505
Payables to suppliers	–	5.209.262	–	5.209.262
Other financial liabilities	–	1.826.374	–	1.826.374
Total financial liabilities with a disclosed fair value	–	271.599.702	–	271.599.702

Set out below is a comparison by a class of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	53.631.090	53.631.090	43.800.988	43.800.988
Amounts due to credit institutions	2.433.970	2.433.970		
Loans to customers	7.556.690	3.809.967	8.110.763	5.236.313
Finance lease receivables	550.252.407	473.929.736	448.423.563	408.568.637
Prepaid coupon interest on debt securities	9.938.789	9.938.789	-	-
Other financial assets	55.676	55.676	63.235	63.235
	623.868.622	543.799.228	500.398.549	457.669.173
Financial liabilities				
Amounts due to the Shareholder	12.949.396	12.845.525	17.640.752	16.834.026
Amounts due to NMH Baiterek JSC	13.367.595	11.941.548	12.423.531	10.111.675
Amounts due to credit institutions	16.183.877	17.737.426	34.080.723	34.030.860
Debt securities issued	343.171.310	360.724.426	210.268.288	203.587.505
Payables to suppliers	1.127.246	1.127.246	5.209.262	5.209.262
Other financial liabilities	4.170.385	4.170.385	1.826.374	1.826.374
	390.969.809	408.546.556	281.448.930	271.599.702

Valuation techniques and assumptions

The following describes the methodologies and assumptions used to determine fair values for assets and liabilities recorded at fair value in the financial statements and those items that are not measured at fair value in the statement of financial position, but whose fair value is disclosed.

Assets for which fair value approximates carrying amount

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Fixed and variable rate financial instruments

The fair values of unquoted financial instruments are estimated by discounting future cash flows using rates currently available for financial instruments on similar terms, credit risk and remaining maturities.

For assets whose fair value is disclosed in the condensed financial statements, future cash flows are discounted using the average market rate of financial instruments with similar maturities based on statistics published by the NBRK. The indicated approach is used in determining the fair value of loans to clients and finance lease receivables. As at 31 December 2024, the average market rate was 22.26% (31 December 2023: 22.38%).

In the case of liabilities with fair values disclosed in the financial statements, future cash flows are discounted at the average market rate of financial instruments with similar maturities and credit rating. As at 31 December 2024, market rates used to measure fair value ranged from 12.77% to 13.08% per annum on tenge-denominated loans and debt securities issued (31 December 2023: from 11.91% to 15.67% per annum).

The future cash flows comprise repayment of principal and interest calculated at the interest rate stipulated by the agreement to the amount of principal.

27. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The following table shows assets and liabilities by expected maturities. See Note 24 Risk management for the Company's contractual undiscounted repayment obligations.

	31 December 2024									Total
	On demand	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	No maturity	Overdue		
Assets										
Cash and cash equivalents	21.182.776	23.442.864	9.005.450	-	-	-	-	-	53.631.090	
Amounts due from credit institutions	-	-	-	2.433.970	-	-	-	-	2.433.970	
Loans to customers	-	6.386	318.279	2.630.360	1.479.714	192.451	-	2.929.500	7.556.690	
Finance lease receivables	-	5.144.122	32.601.045	76.781.197	290.685.851	128.406.823	-	16.633.369	550.252.407	
Inventories	-	-	-	-	-	-	2.984.702	-	2.984.702	
Current corporate income tax assets	-	-	-	134.115	-	-	-	-	134.115	
Property, plant and equipment	-	-	-	-	-	-	861.659	-	861.659	
Intangible assets	-	-	-	-	-	-	360.931	-	360.931	
VAT and other taxes recoverable	-	197.893	950.608	2.630.508	7.025.316	-	-	-	10.804.325	
Advances paid	-	-	-	442	4.003.918	-	-	-	4.004.360	
Prepaid coupon interest on debt securities issued	-	-	4.635.500	5.303.289	-	-	-	-	9.938.789	
Other assets	-	-	-	233.266	-	-	-	1.050.901	1.284.167	
Total assets	21.182.776	28.791.265	47.510.882	90.147.147	303.194.799	128.599.274	4.207.292	20.613.770	644.247.205	
Liabilities										
Amounts due to the Shareholder	-	76.485	997.497	4.003.361	6.443.663	1.428.390	-	-	12.949.396	
Amounts due to NMH Baiterek JSC	-	-	198.333	-	-	13.169.262	-	-	13.367.595	
Amounts due to credit institutions	-	34.740	41.398	6.524.032	-	9.583.707	-	-	16.183.877	
Debt securities issued	-	6.973.560	1.732.111	25.566.002	163.914.279	144.985.358	-	-	343.171.310	
Payables to suppliers	-	-	749.742	377.504	-	-	-	-	1.127.246	
Deferred corporate income tax liabilities	-	-	-	-	-	4.447.718	-	-	4.447.718	
Advances received	-	-	-	5.131.334	-	-	-	-	5.131.334	
Government grants	-	96.141	4.822.024	6.229.883	6.859.872	32.347.163	-	-	50.355.083	
Other liabilities	-	1.177.324	176.788	3.495.400	-	-	-	-	4.849.512	
Total liabilities	-	8.358.250	8.717.893	51.327.516	177.217.814	205.961.598	-	-	451.583.071	
Net position as at 31 December 2024	21.182.776	20.433.015	38.792.989	38.819.631	125.976.985	(77.362.324)	4.207.292	20.613.770	192.664.133	

	31 December 2023									Total
	On demand	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	No maturity	Overdue		
Assets										
Cash and cash equivalents	43.800.988	-	-	-	-	-	-	-	-	43.800.988
Loans to customers	-	94	683.075	1.845.800	1.276.288	67.160	-	4.238.346	-	8.110.763
Finance lease receivables	-	4.192.056	28.811.281	52.625.682	232.571.002	115.768.387	-	14.455.155	-	448.423.563
Other financial assets	-	-	-	-	-	-	-	63.235	-	63.235
Inventories	-	-	-	-	-	-	3.042.877	-	-	3.042.877
Current corporate income tax assets	-	-	-	134.115	-	-	-	-	-	134.115
Property, plant and equipment	-	-	-	-	-	-	872.477	-	-	872.477
Intangible assets	-	-	-	-	-	-	412.854	-	-	412.854
VAT and other taxes recoverable	-	187.816	901.845	2.252.303	7.151.506	-	-	-	-	10.493.470
Advances paid	-	-	161.219	-	6.209.809	-	-	-	-	6.371.028
Investments in associates	-	-	-	-	-	-	434.037	-	-	434.037
Other assets	-	731	-	171.313	-	-	-	972.000	-	1.207.279
Total assets	43.800.988	4.380.697	30.557.420	57.029.213	247.208.605	115.835.547	4.762.245	19.728.736	-	523.303.451
Liabilities										
Amounts due to the Shareholder	-	114.354	1.018.493	3.968.529	9.922.291	2.617.085	-	-	-	17.640.752
Amounts due to NMH Baiterek JSC	-	-	198.333	-	-	12.225.198	-	-	-	12.423.531
Amounts due to credit institutions	-	68.340	10.577.075	10.497.409	6.455.964	6.481.935	-	-	-	34.080.723
Debt securities issued	-	5.321.997	1.732.111	44.832.775	64.414.471	93.966.934	-	-	-	210.268.288
Payables to suppliers	-	1.160.689	3.849.398	199.175	-	-	-	-	-	5.209.262
Deferred corporate income tax liabilities	-	-	-	-	-	7.132.562	-	-	-	7.132.562
Advances received	-	-	-	5.013.679	-	-	-	-	-	5.013.679
Government grants	-	58.941	116.457	569.032	4.181.675	38.591.960	-	-	-	43.518.065
Other liabilities	-	80.552	-	2.367.137	-	-	-	-	-	2.447.689
Total liabilities	-	6.804.873	17.491.867	67.447.736	84.974.401	161.015.674	-	-	-	337.734.551
Net position as at 31 December 2023	43.800.988	(2.424.176)	13.065.553	(10.418.523)	162.234.204	(45.180.127)	4.762.245	19.728.736	-	185.568.901

28. RELATED PARTY TRANSACTIONS

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties may enter into transactions which unrelated parties might not. Prices and terms of such transactions may differ from prices and terms of transactions between unrelated parties.

The Republic of Kazakhstan, acting through the State Property Committee within the Ministry of Finance, controls the Company and has a significant impact on its activities.

The Republic of Kazakhstan directly and indirectly controls and has significant influence over a significant number of entities through its government agencies and other organisations (together referred to as “government-related entities”). The Company executes bank transactions with these entities such as raising of loans and placement of cash.

The balances as at 31 December 2024 for transactions with related parties are as follows:

	Shareholder	NMH Baiterek JSC group	Companies of NMH Baiterek JSC group	Transactions with state-owned entities
Assets				
Cash and cash equivalents (nominal interest rates: 12%–15.1%)	–	–	–	12.789.274
Current corporate income tax assets	–	–	–	134.115
VAT and other taxes recoverable	–	–	–	10.804.325
Prepaid coupon interest on debt securities issued	–	9.938.789	–	–
Liabilities				
Amounts due to the Shareholder (nominal interest rates: 5%–13%)	12.949.396	–	–	–
Amounts due to NMH Baiterek JSC (nominal interest rate 1.02%)	–	13.367.595	–	–
Debt securities issued (nominal interest rates: 11.5%–19.25%)	–	227.161.786	5.202.304	78.044.718
Amounts due to credit institutions (nominal interest rate: 0.35%)	–	–	9.635.824	–
Government grants	–	–	–	50.355.083
Other liabilities (grants for customers)	–	–	–	4.045.615
Deferred corporate income tax liabilities	–	–	–	4.447.718

The balances as at 31 December 2023 for transactions with related parties are as follows:

	Associates	Shareholder	NMH Baiterek JSC group	Companies of NMH Baiterek JSC group	Transactions with state-owned entities
Assets					
Cash and cash equivalents (nominal interest rates: 1.5%–15%)	–	–	–	3.645.835	4.999.925
Current corporate income tax assets	–	–	–	–	134.115
VAT and other taxes recoverable	–	–	–	–	10.493.470
Investments in associates	434.037	–	–	–	–
Liabilities					
Amounts due to the Shareholder (nominal interest rates: 5%–13%)	–	17.640.752	–	–	–
Amounts due to NMH Baiterek JSC (nominal interest rate 1.02%)	–	–	12.423.531	–	–
Debt securities issued (nominal interest rates: 8.50%–19.25%)	–	–	62.745.135	65.527.374	48.846.094
Amounts due to credit institutions (nominal interest rate: 0.35%)	–	–	–	6.531.319	–
Government grants	–	–	–	–	43.518.065
Other liabilities (grants for customers)	–	–	–	–	1.701.424
Deferred corporate income tax liabilities	–	–	–	–	7.132.562

The income and expense items with related parties for the year ended 31 December 2024 were as follows:

	Shareholder	NMH Baiterek JSC group	Companies of NMH Baiterek JSC group	Transactions with state-owned entities
Interest expense	(1.763.806)	(24.032.775)	(1.800.099)	(13.601.533)
Interest income	-	-	503.531	5.097.482
Income/(expenses) on credit losses	-	-	217	(191)
Net foreign exchange loss	-	-	(29.201)	-
Government grant income	-	-	-	9.630.359
Corporate income tax benefit	-	-	-	1.723.252

The income and expense items with related parties for the year ended 31 December 2023 were as follows:

	Shareholder	NMH Baiterek JSC group	Companies of NMH Baiterek JSC group	Transactions with state-owned entities
Interest expense	(2.372.208)	(9.397.693)	(4.817.133)	(9.407.045)
Interest income	-	-	6.748	3.823.506
(Expenses)/income on credit losses	-	-	(217)	2.149
Net foreign exchange loss	-	-	(10.916)	-
Government grant income	-	-	-	354.661
Corporate income tax expense	-	-	-	(1.948)

Information about the terms and conditions of loans from the Shareholder, NMH Baiterek JSC and the company under common control is provided in Notes 11, 12 and 13, respectively. Included in transactions with state-owned entities are transactions of purchase by entities of NMH Baiterek JSC group of the Company's debt securities issued under reverse repurchase agreements. As Kazakhstan Stock Exchange JSC is a central counterparty in such transactions, the transactions and transaction balances are recognised in transactions with state-owned entities.

Remuneration to the key management personnel was as follows:

	2024	2023
Salaries and other short-term benefits	194.024	166.829
Remuneration of the Board of Directors	7.598	7.983
Social security taxes and costs	21.165	16.620
Total key management personnel remuneration	227.787	191.432

29. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Debt securities issued	Amounts due to credit institutions	Amounts due to the Shareholder	Amounts due to NMH Baiterek JSC	Total liabilities arising from financing activities
Carrying amount at 1 January 2023	206.717.109	30.638.480	22.062.088	11.584.240	271.001.917
Additions	30.278.337	30.000.000	-	-	60.278.337
Redemption	(28.952.250)	(10.479.201)	(4.802.194)	-	(44.233.645)
Non-cash transactions	493.599	(16.411.372)	384.528	839.291	(14.693.954)
Dividends declared	-	-	10.309.687	-	10.309.687
Dividends paid	-	-	(10.309.687)	-	(10.309.687)
Other	1.731.493	332.816	(3.670)	-	2.060.639
Carrying amount at 31 December 2023	210.268.288	34.080.723	17.640.752	12.423.531	274.413.294

Additions	175.000.000	-	-	-	175.000.000
Redemption	(43.933.000)	(20.479.200)	(4.933.964)	-	(69.346.164)
Non-cash transactions	875.073	3.148.896	314.019	944.064	5.282.052
Dividends declared	-	-	13.249.722	-	13.249.722
Dividends paid	-	-	(13.249.722)	-	(13.249.722)
Other	960.949	(566.542)	(71.411)	-	322.996
Carrying amount at 31 December 2024	343.171.310	16.183.877	12.949.396	13.367.595	385.672.178

Non-cash transactions include changes in the discount on debt securities issued, other borrowed funds and loans received from the Shareholder and NMH Baiterek JSC during the reporting period as well as offset of advances.

The “Other” item includes the effect of accrued but not yet paid interest on debt securities issued, other loans and borrowings from the Shareholder and NMH Baiterek JSC. The Company classifies the interest paid as cash flows from operating activities.

30. CAPITAL ADEQUACY

The Company maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Company’s capital is monitored using, among other measures, the ratios established by the NBRK and 1988 Basel Agreement in supervising the Company.

As of 31 December 2024 and 2023, the Company complied in full with all its externally imposed capital requirements.

The primary objectives of the Company’s capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains strong credit ratings and healthy capital ratios to support its business and to maximise shareholders’ value.

The NBRK requires companies engaged in certain types of banking activities to maintain a minimum Tier 1 capital adequacy ratio of 6.0% of assets and Tier 2 capital adequacy ratio of 6.0% of assets and minimum general total capital adequacy ratio of 12.0% of risk-weighted assets. On 31 December, the Company’s capital adequacy ratio on this basis was as follows:

	2024	2023
Tier 1 capital	172.293.741	166.600.027
Tier 2 capital	20.344.956	18.928.175
Total equity	192.638.697	185.528.202
Total assets	644.247.205	523.303.451
Risk-weighted assets and contingent and potential liabilities	630.170.421	526.454.152
Operational risk	32.382.987	25.288.297
Capital adequacy ratio (k1) – not less than 6.0%	26.74%	31.84%
Capital adequacy ratio (k1 -2) – not less than 6.0%	27.34%	31.65%
Capital adequacy ratio (k1 -3) – not less than 12.0%	29.39%	33.55%

Capital adequacy ratio under Basel Capital Accord 1988

As at 31 December, the Company’s capital adequacy ratio calculated with requirements of the 1988 Basel Accord, inclusive of consequential amendments to incorporate market risks, was:

	2024	2023
Tier 1 capital	172.293.741	166.600.027
Tier 2 capital	20.344.956	18.928.175
Total equity	192.638.697	185.528.202
Risk-weighted assets	627.386.317	515.145.586
Tier 1 capital adequacy ratio	27,46%	32,34%
Total capital adequacy ratio	26,74%	31,84%

31. SEGMENT REPORTING

The Company’s operations are highly integrated and constitute a single business segment for the purposes of IFRS 8 Segment Reporting. The Company’s assets are concentrated in the Republic of Kazakhstan, and the Company’s revenues are derived from operations in, and connected with, the Republic of Kazakhstan. The chief operating decision maker, in the case of the Company, the Chairman of the Management Board, only receives and reviews the information on the Company as a whole.

32. SUBSEQUENT EVENTS

After the reporting date, the Company made the following coupon payments on debt securities issued:

- ♦ On 22 January 2025 - KZT 1.925.000 thousand on bonds KZ2C00009843 (KAFIb13);
- ♦ On 3 February 2025 - KZT 4.212.500 thousand on bonds KZ2C00008514 (KAFIb12);
- ♦ On 7 February 2025 - KZT 787.500 thousand on bonds KZ2C00010908 (KAFIpp5);
- ♦ On 7 February 2025 - KZT 1.181.250 thousand on bonds KZ2C00010841 (KAFIpp4);
- ♦ On 26 February 2025 - KZT 2.380.000 thousand on bonds KZ2C00007862 (KAFIb11).

ANNEX 4.

REPORT ON COMPLIANCE WITH THE PRINCIPLES AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE OF KAZAGROFINANCE

GENERAL PROVISIONS

The Corporate Governance Code (hereinafter referred to as the Code) of KazAgroFinance is a set of rules and recommendations that the Company follows in the course of its activities to ensure efficiency, transparency, accountability, and a high level of business ethics in relations within the Company and with other stakeholders.

The Code was developed to ensure that the Company's corporate governance complies with the relevant standards of the Organisation for Economic Cooperation and Development.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Corporate Governance Code of KazAgroFinance was approved by the decision of the Board of National Management Holding Baiterek JSC dated December 22, 2021 (minutes No. 68/21).

The objectives of this Code are to improve corporate governance in the Company, ensure transparency and efficiency of management, and confirm the Company's commitment to following the standards of proper corporate governance.

In particular:

1. the Company is managed in compliance with the principle of legality and with an appropriate level of responsibility, clear delineation of powers, accountability and efficiency in order to maximise the value of the Company and other benefits for the Sole Shareholder;
2. information disclosure, transparency, including careful assessment, disclosure and periodic review of the objectives that justify the participation of the Sole Shareholder in the Company are ensured;
3. risk management and internal control systems function properly;
4. minimisation of the risk of conflicts of interest that may lead to decisions other than those based on the best interests of the Company and the general public.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company's corporate governance system complies with OECD standards and is implemented in compliance with the principle of legality and an appropriate level of responsibility, with a clear delineation of powers, accountability and efficiency.

This Code has been developed in accordance with the provisions of the legislation, taking into account the corporate governance practices developing in the Republic of Kazakhstan and the world.

OECD Guidelines on Corporate Governance of State-Owned Enterprises of 8 July 2015. G20/OECD Principles of Corporate Governance.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

Corporate Governance Code (approved by the decision of the Sole Shareholder dated December 22, 2021 No. 68/21), (as amended on August 22, 2023, minutes of the meeting of the Board of Directors of Agrarian Credit Corporation JSC No. 10).

The Company is obliged to strictly observe the provisions of the Code in its activities. In case of non-compliance, to indicate in the annual report an explanation of the reasons for non-compliance with each of the provisions, periodically (at least once every two years) conduct an assessment (if necessary, an independent assessment) of corporate governance and post the relevant results on the Company's website.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

An internal assessment of the effectiveness of the corporate governance system is carried out by the Company's internal audit service at least once every two years in accordance with the Company's internal regulatory documents.

An external assessment of the corporate governance level will be carried out once every three years by an independent

organisation if there are funds required to conduct an external assessment in the Company's Budget (based on the results of the corporate governance level assessment, an appropriate rating is assigned).

According to the annual audit plan approved by the decision of the Board of Directors dated November 28, 2024, in the 4th quarter of 2025, the Company's internal audit service plans to conduct a diagnostic of the corporate governance level.

At the end of 2023, an independent assessment of the Company's corporate governance system was carried out, based on the results of which a score of 95.2% was assigned, the level of corporate governance meets the requirements of best practice. The report on the results of the independent assessment of the Company's corporate governance system was reviewed and approved by the decision of the Board of Directors of the Company dated January 31, 2024 (minutes No. 1).

The results of the corporate governance system assessments are posted on the Company's website – www.kaf.kz/upload/images/rezultaty-audita-effektivnosti-sistemy-korporativnogo-upravleniya.png.

The Company's officials and employees assume the

obligations provided by this Code, including on the basis of relevant agreements with the Company, and undertake to comply with its provisions in the Company.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company's officials and employees strive to comply with the provisions of the Code within the Company and in their relations with the Sole Shareholder.

The Company's Board of Directors shall be responsible for monitoring the Company's compliance with this Code. The Corporate Secretary shall monitor and advise the Company's Board of Directors and executive body on matters of proper compliance with this Code, and shall prepare an annual report on compliance/non-compliance with its principles and provisions. This report shall subsequently be submitted for consideration to the relevant committee of the Board of Directors, approved by the Board of Directors and included in the Company's annual report.

Complied

the Management Board of the Company), ensuring decision-making in the interests of the Company and the tasks of economic development assigned to it.

No less than one third of the members of the Board of Directors of the Company are Independent Directors.

Committees have been created under the Board of Directors, whose competence includes consideration of issues on audit, risk management, strategic planning, personnel, remuneration and social issues.

Committees have been created to conduct a detailed analysis and develop recommendations on a range of the most important issues before they are considered at a meeting of the Board of Directors. The final decision on issues considered by the committees is made by the Board of Directors.

The Sole Shareholder of the Company provides the Company with complete operational independence and does not interfere in the operational (current) and investment activities of the Company, except in cases stipulated by the legislation of the Republic of Kazakhstan, acts and instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

All decisions on strategic and operational issues were made by the Board of Directors and the Management Board of the Company independently.

The purpose of the Company is the technological renewal of the agro-industrial complex by providing agricultural producers with accessible financial resources, as well as agricultural and special machinery, processing and technological equipment and biological assets on a leasing basis.

In carrying out its activities, the Company is guided by the decisions of the Sole Shareholder and the Board of Directors of the Company.

Transactions and relations between the Company, the Sole Shareholder and interested parties are carried out on a normal commercial basis within the framework of the current legislation of the Republic of Kazakhstan, except for cases when one of the main tasks of the Company is the implementation or assistance in the implementation of state policy for the development of certain industries of the Republic of Kazakhstan.

The Company is not exempt from the application of general laws,

tax norms and rules, except for cases stipulated by the legislation of the Republic of Kazakhstan.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

Transactions and relations between the Sole Shareholder and the Company and interested parties are carried out within the framework of the current legislation of the Republic of Kazakhstan.

The relationship (interaction) between the Sole Shareholder and the Company is carried out through the Board of Directors and/or the Management Board of the Company in accordance with the principles of proper corporate governance. The role and functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Company are clearly delineated and fixed in the documents of the Company.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The relationship (interaction) between the Sole Shareholder and the Company is carried

out through the Board of Directors of the Company and the Management Board of the Company in accordance with the principles of proper corporate governance.

The role and functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Company are clearly delineated and enshrined in the Charter of the Company, as well as in the internal regulatory documents of the Company, including the Regulation on the Board of Directors of the Company and the Regulation on the Management Board of the Company.

The Company's corporate governance system provides relationships between:

1. the Sole Shareholder;
2. the Board of Directors;
3. the Management Board;
4. stakeholders;
5. other bodies determined in accordance with the Charter.

The corporate governance system ensures, among other things:

1. compliance with the hierarchy of the procedure for considering issues and making decisions;
2. a clear delineation of powers and responsibilities between bodies, officials and employees;
3. timely and high-quality decision-making by the Company's bodies;
4. the efficiency of processes in the Company's activities;

5. compliance with legislation, this Code and the Company's internal documents.

The Company approves regulations on bodies (if such regulations are not provided for by the Company's charter) and structural divisions, as well as job descriptions for the relevant positions. Compliance with the provisions of these documents ensures the systematicity and consistency of corporate governance processes.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The corporate governance structure of the Company complies with the legislation of the Republic of Kazakhstan and clearly defines the division of powers between the bodies of the Company.

The Charter, the Regulation on the Board of Directors of the Company and the Regulation on the Management Board of the Company, the List of documents regulating the internal activities of KazAgroFinance, subject to approval by the Board of Directors of KazAgroFinance, determined by the decision of the Board of Directors of KazAgroFinance dated June 30, 2021 No. 7, provide for the separation of powers between the Board of Directors and the Management Board of the Company.

In order to ensure sustainable development, the Holding develops and approves uniform policies, methodological recommendations and corporate standards for the Company.

The decision on the application of corporate standards approved by the Holding in the field of risk management, internal control and internal audit in the Company is made by the Board of Directors of the Company, taking into account the compliance of these standards with the specifics of the Company's activities.

The Management Board of the Company ensures the implementation of the strategy and development plan of the Company approved by the Board of Directors of the Company.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

In accordance with the instruction of NMH Baiterek JSC dated April 19, 2021 (letter No. 04-1-1/1838) regarding the implementation and updating of internal regulatory documents (hereinafter referred to as IRD), the Company approved a number of IRDs based on the IRDs of NMH Baiterek JSC. Including:

- ♦ Corporate Governance Code (approved by the decision of the Sole Shareholder dated December 22, 2021 No. 68/21);

- ◆ KazAgroFinance Sustainable Development Policy (approved by the decision of the Board of Directors of the Company dated June 30, 2021 No. 7).
- ◆ Risk Management Policy (approved by the decision of the Board of Directors of the Company dated August 31, 2021 No. 10);
- ◆ KazAgroFinance JSC Human Rights Policy (approved by the decision of the Company's Management Board dated November 29, 2024, No. 39);
- ◆ Rules for organising internal audit in KazAgroFinance (approved by the decision of the Company's Board of Directors dated May 31, 2021, No. 5);

By the decision of the Company's Board of Directors dated July 26, 2023 (minutes No. 6), the Report on the implementation of the KazAgroFinance Development Strategy for 2019–2023 based on the results of 2022 was approved.

The Board of Directors of the Company ensures the effectiveness of management, sustainable development and profitability of the Company's activities. The results of effective management in the Company's group are increased operational efficiency, improved reporting quality, improved standards of corporate culture and ethics, openness and transparency, reduced risks, and an appropriate internal control system.

The corporate governance system in the Company ensures:

1. the presence of a clear management system in the group, delineated powers and decision-making process, no duplication of functions and processes;
2. uniform standards, policies and processes, including in terms of defining uniform approaches to planning, monitoring and control, performance assessment and the application of corrective actions;
3. access to high-quality information regarding the group's activities;
4. proper management of the group's risks.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The following have been approved by the decisions of the Sole Shareholder in the Company: the Regulation on the Board of Directors of the Company, the Code of Corporate Governance of the Company, the Charter of the Company, which regulate the processes that ensure the existence of a clear management system in the Company, the delineation of powers and independence of the decision-making process by the Board of Directors, the Management Board, other collegial bodies and the management of the Company,

the absence of duplication of functions and processes.

In the Company, the decisions of the Board of Directors have approved internal regulatory documents on matters of priority areas of activity (development), strategic goals (development strategy) of the Company, documents on matters of planning and budgeting, internal documents on matters of internal control, internal and external audit.

The Company provides access to high-quality information regarding the Company's activities on the Corporate website of the Company.

The Company discloses information on corporate events, financial statements and audit reports, information on affiliates, as well as other information subject to disclosure on the Internet resources of the financial statements' depository in accordance with the requirements approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 189 dated August 27, 2018.

The structure of the risk management system in the Company is represented by risk management at several levels with the involvement of the following bodies and divisions of the Company: the Board of Directors, the Management Board, the structural division responsible for risk management, the Internal Audit

Service, and other structural divisions. The delineation of powers of the Board of Directors, the Management Board, other collegial bodies of the Company, as well as the risk management structure, the main components of the risk management system, are reflected in the Risk Management Policy of the Company.

2. THE PRINCIPLE OF PROTECTING THE RIGHTS AND INTERESTS OF THE SOLE SHAREHOLDER

Respect for the rights of the Sole Shareholder is a key condition for attracting investments to the Company. In this regard, corporate governance in the Company is based on ensuring the protection, respect for the rights and legitimate interests of the Sole Shareholder and is aimed at promoting the effective operation of the Company and achieving profitability.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company was established on December 28, 1999 in accordance with the Decree of the Government of the Republic of Kazakhstan dated November 24, 1999 No. 1777 On Certain Issues of Agriculture.

The mission of the Company is technical and technological modernisation of the business of subjects of the agro-industrial complex of the Republic of Kazakhstan.

The Sole Shareholder of the Company is the Agrarian Credit Corporation Joint-Stock Company.

The Company ensures the implementation of the rights of the Sole Shareholder and the protection of his interests within the framework of the principles of corporate governance, expressed in participation in the management of the Company, in the manner prescribed by the Law of the Republic of Kazakhstan On Joint-Stock Companies and the Charter of the Company, approved by the decision of the Sole Shareholder of the Company (Minutes of the Holding's Management Board dated March 31, 2021 No. 15/21), making key decisions on the approval of the Charter, the Corporate Governance Code, determining the composition and term of office of the Board of Directors, the election of the Chairman of the Management Board, approval of the external auditor, annual financial statements, etc.

Information on the activities of the Company is provided to the Sole Shareholder in full and allows making balanced and fair decisions.

The Company, in accordance with the established procedure,

ensures the implementation of the rights of the Sole Shareholder, including:

- ◆ The Company, in accordance with the established procedure, ensures the implementation of the rights of the Sole Shareholder, including:
- ◆ the right to own, use and dispose of shares;
- ◆ the right to participate in the management of the Company and the election of the Board of Directors in the manner prescribed by the laws of the Republic of Kazakhstan On Joint-Stock Companies, On State Property and/or the Company Charter;
- ◆ the right to receive a share of the Company's profits (dividends);
- ◆ the right to receive a share in the Company's assets in the event of its liquidation;
- ◆ the right to receive information about the Company's activities, including familiarisation with the Company's financial statements, in the manner determined by the Sole Shareholder or the Company Charter;
- ◆ the right to contact the Company with written inquiries regarding its activities and receive reasoned and comprehensive responses within the timeframes established by the Company Charter;
- ◆ the right to receive an extract from the Company's registrar or nominee holder confirming its ownership of securities;
- ◆ the right to challenge in court decisions taken by the Company's bodies;

- ♦ the right to apply to judicial authorities on its own behalf in cases stipulated by Articles 63 and 74 of the Law of the Republic of Kazakhstan On Joint-Stock Companies with a demand for compensation to the Company by the Company's officials for losses caused to the Company, and for the return to the Company by the Company's officials and/or their affiliates of the profit (income) received by them as a result of making decisions on concluding (offering to conclude) major transactions and/or transactions in which there is an interest;
- ♦ the right to a pre-emptive purchase of shares or other securities of the Company convertible into its shares, in the manner prescribed by the Law of the Republic of Kazakhstan On Joint-Stock Companies, with the exception of cases stipulated by legislative acts of the Republic of Kazakhstan;
- ♦ the right to make a decision on changing the number of shares of the Company or changing their type in the manner prescribed by the Law of the Republic of Kazakhstan On Joint-Stock Companies.

Complied**Activities carried out to implement the principles and provisions of the Corporate Governance Code**

In accordance with paragraph 17 of Article 5 of the Company's

Charter, the Sole Shareholder has the right to:

1. participate in the management of the Company in the manner prescribed by the Law and (or) this Charter;
2. receive dividends;
3. receive information on the Company's activities, including familiarisation with the Company's financial statements, in the manner determined by this Charter;
4. receive statements from the central depository or nominee holder confirming his ownership of securities;
5. challenge in court decisions taken by the Company's bodies;
6. apply to judicial authorities on his own behalf in cases stipulated by the Law with a demand for compensation to the Company by the Company's officials for losses caused to the Company, and for the return to the Company by the Company's officials and (or) their affiliates of the profit (income) received by them as a result of making decisions on concluding (proposals for concluding) major transactions and (or) transactions in which there is an interest;
7. submit written inquiries to the Company regarding its activities and receive reasoned responses within thirty calendar days from the date of receipt of the request by the Company;
8. on a share of the property during the liquidation of the Company;
9. preferential purchase of shares or other securities of the Company convertible into its shares, in the manner

- prescribed by the Law, except for cases stipulated by legislative acts of the Republic of Kazakhstan;
10. make decisions on changing the number of shares of the Company or changing their type in the manner prescribed by the Law.
 11. propose to the Board of Directors the inclusion of additional issues in the agenda of the meeting of the Sole Shareholder in accordance with the Law;
 12. demand the convening of a meeting of the Board of Directors;
 13. demand that an audit organisation conduct an audit of the Company at its own expense.

The rights of the Sole Shareholder, as enshrined in the Charter of the Company, are observed by the Company and the bodies of the Company.

The calculation of the amount of dividends is made based on the amount of the Company's net income reflected in the annual audited financial statements of the Company, prepared in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards. At the same time, the amount of dividend payment is determined taking into account the legislation of the Republic of Kazakhstan.

Complied**Activities carried out to implement the principles and provisions of the Corporate Governance Code**

The terms and procedure for payment of dividends to the Sole Shareholder of the Company are regulated by the legislation of the Republic of Kazakhstan, the Company's Charter, as well as the relevant decision of the Sole Shareholder of the Company.

In accordance with the decision of the Sole Shareholder of the Company (extract from the minutes of the in-person meeting of the Board of Directors of Agrarian Credit Corporation JSC dated May 24, 2024 No. 8), dividends were paid for 2023 in the amount of 13,249,722,501.79 (thirteen billion two hundred forty-nine million seven hundred twenty-two thousand five hundred and one) KZT 79 tiyn (payment order dated June 18, 2024 No. 33227).

3. THE PRINCIPLE OF EFFECTIVE MANAGEMENT OF THE COMPANY BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The Board of Directors is a management body that ensures strategic management of the Company and oversees the activities of the Management Board.

The Board of Directors ensures full transparency of its activities before the Sole Shareholder, as well as the implementation of all provisions of this Code.

The Board of Directors exercises its functions in accordance with the legislation of the Republic of Kazakhstan, the Company Charter, this Code, the Regulation on the Board of Directors and other internal documents of the Company. At the same time, the Board of Directors pays special attention to issues of:

1. defining the Development Strategy (directions and results);
2. setting and monitoring the KPIs established in the development strategy and/or development plan;
3. organising and supervising the effective functioning of the risk management, internal control and internal audit systems;
4. approving and monitoring the effective implementation of major investment projects and other key strategic projects within the competence of the Board of Directors;
5. election (re-election), remuneration, succession planning and supervision of the activities of the head and members of the executive body;
6. corporate governance;
7. compliance in the Company with the provisions of this Code and the Company's corporate standards in the area of business ethics (Code of Business Ethics).

Complied**Activities carried out to implement the principles and provisions of the Corporate Governance Code**

Activities of the Company's Board of Directors are governed by the Regulation on the Company's Board of Directors, approved by the decision of the Company's Sole Shareholder (Minutes of the Holding's Management Board dated November 17, 2021, No. 62/21).

The activities of the Company's Board of Directors are based on the principles of efficiency and responsibility, maximum observance and implementation of the interests of the Sole Shareholder. This principle is observed in practice by the Company's Board of Directors.

The Board of Directors exercises general management of the Company's activities, with the exception of issues within the exclusive competence of the Sole Shareholder and the Company's Management Board.

The KazAgroFinance Development Strategy for 2024–2033 was approved by the decision of the Company's Board of Directors dated December 28, 2023, No. 13, which defines key performance indicators (KPIs) corresponding to the mission, goals and objectives of the Company.

Monitoring of the implementation of the Company's Development

Strategy is carried out as part of monitoring the implementation of the Company's Development Plan.

Thus, by the decision of the Board of Directors of the Company dated July 4, 2024, the Report on the implementation of the Company's Development Plan for 2019–2023 for 2023 was approved, where forms 3 and 4 reflect the actual performance of the implementation of the KazAgroFinance Development Strategy for 2020–2023, approved by the decision of the Board of Directors of the Company dated July 25, 2022 No. 10.

Members of the Board of Directors shall perform their functional duties in good faith and adhere to the following principles in their activities:

1. act within their powers – members of the Board of Directors make decisions and act within their powers, as stipulated in the laws of the Republic of Kazakhstan On Joint Stock Companies and On State Property, as well as the Company's Charter;
2. devote sufficient time to attending meetings of the Board of Directors, its committees and preparing for them;
3. contribute to achieving profitability and sustainable development of the Company - members of the Board of Directors act in the interests of the Company; the impact of decisions

and actions of members of the Board of Directors can be determined by the following questions: what are the consequences of the decision/action in the long term; what is the impact of the organisation's activities on society and the environment; impact on the Company's reputation and high standards of business ethics; impact on the interests of stakeholders (this list of questions is the minimum necessary, but not exhaustive);

4. maintain high standards of business ethics – members of the Board of Directors must, in their actions, decisions and behaviour, comply with high standards of business ethics and be an example (model) for the Company's employees;
5. Avoid conflicts of interest – members of the Board of Directors shall not allow situations to arise in which their personal interest may affect the proper performance of their duties as a member of the Board of Directors; in the event of situations with conflicts of interest that affect or may potentially affect impartial decision-making, members of the Board of Directors shall notify the Chairman of the Board of Directors in advance and shall not participate in the discussion and adoption of such decisions; this requirement also applies to other actions of a member of the Board of Directors that may directly or indirectly

affect the proper performance of duties as a member of the Board of Directors;

6. Act with due prudence, skill and discretion – members of the Board of Directors are recommended to continually improve their knowledge of the competencies of the Board of Directors and the performance of their duties on the Board of Directors and committees, including such areas as legislation, corporate governance, risk management, finance and audit, sustainable development, knowledge of the industry and the specifics of the Company's activities; in order to understand the current issues of the Company's activities, members of the Board of Directors regularly visit the key facilities of the Company and hold meetings with employees.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The members of the Board of Directors shall perform their functional duties in good faith and adhere to the following principles in their activities:

1. act within the limits of their authority;
2. devote sufficient time to attending meetings of the Board of Directors, its committees and preparing for them;

3. contribute to achieving profitability of the Company's activities and sustainable development;
4. maintain high standards of business ethics;
5. avoid conflicts of interest;
6. act with due prudence, skill and caution.

The Board of Directors and its committees should maintain a balance of skills, experience and knowledge that ensures independent, objective and effective decision-making in the interests of the Company and taking into account the interests of the Sole Shareholder and the principles of sustainable development.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

When electing a member of the Board of Directors of the Company, as well as the chairman and members of the Committees of the Board of Directors of the Company, the Sole Shareholder and the Board of Directors of the Company are guided by the requirements of the legislation and other internal regulations.

The Sole Shareholder shall elect members of the Board of Directors based on clear and transparent procedures,

taking into account the candidates' competencies, skills, achievements, business reputation and professional experience. When re-electing individual members of the Board of Directors or its entire composition for a new term, their contribution to the efficiency of the Company's Board of Directors is taken into account.

The term of office of the Board of Directors is determined by the Sole Shareholder. The term of office of the members of the Board of Directors coincides with the term of office of the entire Board of Directors and expires at the time the Sole Shareholder makes a decision to elect a new Board of Directors. The Sole Shareholder has the right to early terminate the powers of all or individual members of the Board of Directors.

No person shall participate in making decisions related to their own appointment, election and re-election.

When selecting candidates for the Board of Directors, the following shall be taken into account:

1. experience in management positions;
2. experience as a member of the Board of Directors;
3. length of service;
4. education, specialty, including the availability of international certificates;
5. availability of competencies in areas and industries

- (industries may vary depending on the asset portfolio);
6. business reputation;
 7. presence of a direct or potential conflict of interest.

The number of members of the Board of Directors is determined by the Sole Shareholder. The composition of the Board of Directors is established individually taking into account the scale of activities, current objectives, development strategy and/or development plan and financial capabilities.

The composition of the Board of Directors must be balanced, which means a combination of members of the Board of Directors (representatives of the Sole Shareholder, independent directors, Chairman of the Management Board of the Company), ensuring that decisions are made in the interests of the Company and the tasks of economic development assigned to it.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

When electing members of the Board of Directors of the Company, the Sole Shareholder must approve the quantitative composition of the Board of Directors of the Company; the composition of the Board of Directors is established

individually taking into account the scale of activities, current tasks, development strategy and/or development plan and financial capabilities, as well as the balance of the composition of the Board of Directors, which means a combination of members of the Board of Directors (representatives of the Sole Shareholder, independent directors, head of the executive body), ensuring that decisions are made in the interests of the Company and the tasks set before it for economic development.

The presence and participation of independent directors is mandatory in the Board of Directors. The number of members of the Board of Directors must be at least three people. At least one third of the members of the Company's Board of Directors must be independent directors. At the same time, the number of independent directors must be sufficient to ensure the independence of decisions taken. The recommended number of independent directors in the Company's Board of Directors is up to fifty percent of the total number of members of the Board of Directors.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Board of Directors includes independent directors.

At least one third of the members of the Board of Directors of the Company must be independent directors; the Board of Directors of the Company includes 2 independent directors.

The decision of the Board of Directors of Agrarian Credit Corporation JSC dated October 1, 2024 (minutes No. 17) determined the quantitative composition, term of office, elected members of the Board of Directors of KazAgroFinance and determined the amounts and conditions for paying remuneration to independent directors.

Relations between independent directors and the Company are formalised by agreements taking into account the requirements of the legislation of the Republic of Kazakhstan, the provisions of this Code and the internal documents of the Company.

The agreements must specify the rights, obligations, responsibilities of the parties and other material conditions, as well as the obligations of independent directors of the Board of Directors to comply with the provisions of this Code, including devoting sufficient time to performing the functions assigned to them, non-disclosure of internal information about the Company after the

termination of its activities for a period established by the Board of Directors and additional obligations due to the requirements for the status and functions of independent directors (in terms of timely declaration of loss of independence and others).

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

Agreements have been concluded with the Independent Directors of the Company.

The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation of its core functions by the Board of Directors and the establishment of a constructive dialogue between the members of the Board of Directors, the Sole Shareholder and the Management Board of the Company.

The Chairman of the Board of Directors should strive to create a unified team of professionals focused on achieving profitability and sustainable development of the Company, who are able to respond to internal and external challenges in a timely manner and at the proper professional level.

The roles and functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Company should be clearly separated and set out in the internal documents of the Company. The Chairman of the Management Board cannot be elected as the Chairman of the Board of Directors of the Company.

The key functions of the Chairman of the Board of Directors include:

1. planning meetings of the Board of Directors and setting the agenda;
2. ensuring that members of the Board of Directors receive timely and complete information for decision-making;
3. ensuring that the Board of Directors focuses on considering strategic issues and minimising current (operational) issues subject to consideration by the Board of Directors;
4. ensuring maximum efficiency of the meetings of the Board of Directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of the agenda items, stimulating open discussions, and reaching agreed decisions;
5. ensuring monitoring and supervision of the proper execution of decisions taken by the Board of Directors and the Sole Shareholder;
6. in the event of corporate conflicts, taking measures to resolve them and minimise the negative impact on the

Company's activities, and promptly informing the Sole Shareholder if it is impossible to resolve such situations on its own;

7. building appropriate communication and interaction with the Sole Shareholder, including organising consultations when making key strategic decisions.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Chairman of the Board of Directors is elected from among its members by a majority of votes of the total number of members of the Board of Directors by open voting. The Board of Directors has the right to re-elect the Chairman at any time.

By the decision of the Board of Directors of KazAgroFinance dated October 7, 2024 No. 10, N.Aidapkelov was elected Chairman of the Board of Directors of KazAgroFinance.

The Chairman of the Board of Directors organises the work of the Board of Directors, chairs its meetings, and also carries out other functions determined by the Charter of the Company, the legislation of the Republic of Kazakhstan, the Regulation on the Board of Directors of the Company and other regulatory documents.

The Chairman of the Board of Directors adheres to the principles of freedom of expression of the point of view of the members of the Board of Directors of the Company on the issues under discussion, contributes to the search for an agreed solution, decision-making in the interests of the Sole Shareholder.

The level of remuneration for members of the Board of Directors should be set at an amount sufficient to attract and motivate each member of the Board of Directors at the level required for successful management of the Company. The Human Resources, Remuneration and Social Affairs Committee of the Board of Directors of the Company makes proposals on the amount of remuneration for candidates for independent directors.

No person should participate in decisions related to their own remuneration.

Remuneration should fairly reflect the expected contribution of the member of the Board of Directors to improving the effectiveness of the entire Board of Directors and the activities of the Company.

When establishing the amount of remuneration for a member of the Board of Directors, the responsibilities of the members of the Board of Directors, the scale of the Company's activities, the long-term goals

and objectives determined by the development strategy, the complexity of the issues considered by the Board of Directors and, where necessary, the level of remuneration in similar private sector companies (benchmarking, remuneration review) are taken into account.

Members of the Board of Directors are paid a fixed annual remuneration, as well as additional remuneration for participation in and chairmanship of the committees of the Board of Directors. The remuneration of a member of the Board of Directors should not include options or other elements related to the performance of the Company.

At the same time, members of the Board of Directors of the Company who are civil servants and/or representatives of the shareholder, as well as the Chairman of the Management Board (if he/she is a member of the Board of Directors), are not paid remuneration for membership in the Board of Directors.

The Sole Shareholder of the Company determines the amount and terms of payment of remuneration and compensation of expenses to members of the Board of Directors of the Company. At the same time, the terms of remuneration of directors are reflected in the agreements concluded with them and/or, if necessary, in an internal document of the Company.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The level of remuneration of the Independent Directors of the Company is established by the Sole Shareholder and is reflected in the agreements concluded with the independent directors.

The members of the Board of Directors of the Company who are representatives of the shareholder, as well as the Chairman of the Management Board, are not paid remuneration for membership in the Board of Directors.

The Company's Board of Directors has created committees whose competence includes consideration of issues related to audit and risk management, strategic planning and corporate development, personnel, remuneration and social issues.

The presence of committees does not relieve members of the Board of Directors from responsibility for decisions made within the competence of the Board of Directors.

The committees are created to conduct a detailed analysis and develop recommendations on a range of the most important issues before they are considered at a meeting of the Board of Directors. The final decision on the issues

considered by the committees is made by the Board of Directors.

The activities of the committees are regulated by internal documents approved by the Board of Directors, containing provisions on the composition, competence, procedure for electing committee members, the procedure for working with the committees, as well as the rights and obligations of their members. The Sole Shareholder has the right to familiarise himself with the provisions on the committees upon request.

To organise the work of the committee, the Corporate Secretary is appointed as the secretary of the committee by the committee or the Board of Directors. The secretary of the committee ensures the preparation of committee meetings, the collection and systematisation of materials for meetings, the timely dispatch to committee members and invited persons of notifications about holding committee meetings, the agenda of meetings, materials on agenda items, the recording of minutes of meetings, the preparation of draft committee decisions, as well as the subsequent storage of all relevant materials.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company's Board of Directors has three committees:

1. Audit and Risk Committee;
2. Strategic Planning and Corporate Development Committee;
3. Human Resources, Remuneration and Social Issues Committee.

The Corporate Secretary of the Company is the Secretary of the Committees of the Company's Board of Directors.

The Chairman of the Strategic Planning and Corporate Development Committee is elected from among the independent members of the Board of Directors for the term of office of the Board of Directors at one of the first meetings of the Board of Directors. The decision on the election is made by a simple majority of votes of the total number of members of the Board of Directors.

If necessary, experts with relevant experience and competence may be invited to join the Strategic Planning and Corporate Development Committee. Members of the Committee who are not members of the Board of Directors are appointed by the Board of Directors upon the recommendation of the Chairman of the Committee.

The main functions of the Strategic Planning and Corporate Development Committee are to develop and submit to the Board of Directors of the Company

recommendations on the development of priority areas of the Company's activities and its development strategy, including issues on the development of measures to improve the efficiency of the Company's activities, its profitable operation and sustainable development. Detailed goals and objectives of the committee are provided for in the regulations on the committee.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The requirements of the Code are provided by the Regulation on the Strategic Planning and Corporate Development Committee of the Board of Directors of the Company, approved by the decision of the Board of Directors dated September 30, 2021 No. 11.

The Audit and Risk Committee shall include independent directors with the necessary knowledge and practical experience in the field of accounting and audit, risk management, and internal control. The Chairman of the Audit and Risk Committee shall be an independent director. The main functions of the Audit and Risk Committee shall include issues of internal and external audit, financial reporting, internal control and risk

management, compliance with the legislation of the Republic of Kazakhstan, internal documents, and other issues as instructed by the Board of Directors.

In addition, the Audit and Risk Committee shall evaluate candidates for external auditors of the Company and shall also preliminarily analyse the audit organisation's report before submitting it to the Board of Directors and the Sole Shareholder.

A member of the Board of Directors who is not independent may be elected to the committee if the Board of Directors decides, as an exception, that the membership of this person in the Audit and Risk Committee is necessary in the interests of the Sole Shareholder and the Company. When such an appointment occurs, the Board of Directors shall disclose the nature of this person's dependence and justify such decision.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The requirements of the Code are provided by the Regulation on the Audit and Risk Committee of the Board of Directors of the Company, approved by the decision of the Board of Directors dated September 30, 2021 No. 11.

The HR, Remuneration and Social Affairs Committee shall include a majority of independent directors in order to develop objective and independent decisions and prevent the influence of interested parties (representatives of the Sole Shareholder, the head of the Management Board, employees and other persons) on the judgments of the committee members.

The members of the Committee shall have the necessary knowledge and practical experience in the field of personnel management and assessment of its performance, as well as in the field of corporate governance. The Chairman of the Committee shall be an independent director.

The HR, Remuneration and Social Affairs Committee shall determine the criteria for the selection of candidates for members of the Board of Directors, top management candidates, develop the Company's policy in the field of remuneration of these persons, and regularly assess the performance of the members of the Board of Directors and top managers.

The main functions of the Committee include matters of appointment (election), setting motivational KPIs, performance assessment, remuneration and succession planning of the Chairman and members of the Management Board, matters of appointment and remuneration

of the Corporate Secretary, as well as participation in the consideration of the specified matters in relation to the composition of the Board of Directors itself, in cases where such powers are granted by the Sole Shareholder. In this case, members of the Human Resources, Remuneration and Social Affairs Committee are advised to avoid any conflict of interest and not to participate in the consideration of issues of their own appointment and/or remuneration.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The requirements of the Code are provided by the Regulation on the Human Resources, Remuneration and Social Issues Committee of the Board of Directors of the Company, approved by the decision of the Board of Directors dated September 30, 2021 No. 11.

Meetings of the Board of Directors are held in accordance with the work plan approved by the Board of Directors before the beginning of the calendar year, including a list of issues to be considered and a schedule of meetings with dates. Meetings of the Board of Directors and its committees are held by means of in-person or absentee voting, while the number of meetings

with absentee voting must be minimised. Consideration and adoption of decisions on important and strategic issues is carried out only at meetings of the Board of Directors with in-person voting.

If members of the Board of Directors (no more than 30% of the total number of members of the Board of Directors) are unable to personally attend a meeting of the Board of Directors, a combination of both forms of meetings of the Board of Directors and its committees is possible. In this case, an absent member of the Board of Directors may participate in the discussion of the issues under consideration using technical means of communication and provide his opinion in writing.

The recommended frequency of meetings of the Board of Directors is at least six meetings per year. It is recommended to evenly distribute the number of issues planned for consideration during the year to ensure a thorough and complete discussion and the adoption of timely and high-quality decisions.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Board of Directors holds regular meetings to effectively perform its functions. Meetings

of the Board of Directors are held in accordance with the Work Plan for 2024, approved by the resolution of the Board of Directors of the Company dated December 28, 2023 (minutes No. 13). Meetings of the Board of Directors and its Committees are held through in-person and absentee voting.

In 2024, 14 in-person meetings of the Board of Directors of the Company were held, decisions were made on 87 issues.

The Board of Directors, committees and members of the Board of Directors are assessed on an annual basis. At least once every three years, the assessment is conducted with the involvement of an independent professional organisation.

The assessment allows us to determine the contribution of the Board of Directors and each of its members to achieving the strategic development objectives of the Company, as well as to identify areas and recommend measures for improvement. The results of the assessment are taken into account when re-electing or early terminating the powers of members of the Board of Directors.

The assessment is one of the main tools for improving the professionalism of the Board of Directors and its individual members. The assessment is mandatory for both independent

directors and representatives of the Sole Shareholder.

The assessment is carried out according to the principles such as regularity, comprehensiveness, continuity, realism, confidentiality.

The process, timing and procedure for assessing the activities of the Board of Directors, its committees and members of the Board of Directors should be clearly regulated in the internal documents of the Company.

Partially complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

In accordance with the best international practices of corporate governance, the Company annually evaluates the performance of the Board of Directors, based on the results of which the further effective development of the Board of Directors is determined.

In accordance with the Corporate Governance Code, the Regulation on the Board of Directors of the Company – the Board of Directors, committees and members of the Board of Directors are evaluated on an annual basis before June 1 of the year following the reporting year.

The decision to evaluate the performance of the Board of

Directors is made by the Board of Directors of the Company.

On December 18, 2024 (Minutes No. 14), the Board of Directors decided to conduct an assessment of the performance of the Board of Directors of the Company for 2024 using its own resources. The assessment is carried out using a questionnaire and its results will be included in the Annual Report of KazAgroFinance.

At the same time, the Company received commercial proposals from independent professional organisations, the costs of assessing the work of the Board of Directors of the Company with the involvement of an independent professional organisation (independent consultants) are included in the draft adjusted Company Development Plan for 2024-2028.

In order to effectively organise the activities of the Board of Directors and the interaction of the Management Board with the Sole Shareholder, the Board of Directors appoints the Corporate Secretary.

The Board of Directors makes a decision on the appointment of the Corporate Secretary, determines the term of his/her powers, functions and operating procedures, the amount of the official salary and terms of remuneration, makes a decision on the creation of the service (secretariat) of the Corporate

Secretary (if necessary) and determines the budget of the said service. The Corporate Secretary is accountable to the Board of Directors of the Company and is independent from the Management Board of the Company. The main responsibilities of the Corporate Secretary include assistance in the timely and high-quality adoption of corporate decisions by the Board of Directors, the Sole Shareholder, acting as an advisor to the members of the Board of Directors on all issues of their activities and the application of the provisions of this Code, as well as monitoring the implementation of this Code and participating in the improvement of corporate governance in the Company. The Corporate Secretary also prepares a report on compliance with the principles and provisions of this Code, which is included in the annual report of the Company. This report should include a list of the principles and provisions of the Code that are not being observed, with appropriate explanations.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

By the decision of the Board of Directors dated March 10, 2021 (minutes No. 2), the Corporate Secretary was appointed to the Company. Reappointed for

a new term by the decision of the Board of Directors dated January 31, 2024 (minutes No. 1).

In order to comply with the principles of business ethics, optimal regulation of social and labour disputes arising in the Company, an Ombudsman is appointed.

A candidate for the position of Ombudsman should have an impeccable business reputation, high authority, and the ability to make impartial decisions.

The Ombudsman is appointed by a decision of the Board of Directors of the Company and is subject to re-election every two years. The role of the Ombudsman is to consult employees who have contacted him, participants in labour disputes, conflicts and to assist them in developing a mutually acceptable, constructive and feasible solution taking into account compliance with the norms of the legislation of the Republic of Kazakhstan (including maintaining confidentiality, if necessary), to assist in resolving problematic social and labour issues of both employees and the Company.

The Ombudsman submits for consideration by the relevant bodies and officials of the Company problematic issues identified by him/her, which are of a systemic nature and require the adoption of appropriate decisions (comprehensive

measures), and puts forward constructive proposals for their solution.

The Ombudsman shall, at least once a year, submit a report on the results of the work performed to the Human Resources, Remuneration and Social Issues Committee and the Audit and Risk Committee of the Company's Board of Directors, which shall evaluate the results of his/her activities.

The Company's Board of Directors shall evaluate the results of the Ombudsman's activities and shall decide on the extension or termination of the powers of the person holding the position of Ombudsman.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

In order to comply with the principles of the Code of Business Ethics, optimal regulation of social and labour disputes arising in the Company, by the decision of the Board of Directors of the Company dated May 27, 2024 (minutes No. 5), Dina Akrachkova, holding the position of Head of the Office of the Chairman of the Management Board of NMH Baiterek JSC, was appointed Ombudsman of the Company for a period of 2 years (from June 30, 2024 to June 30, 2026).

On an annual basis, the Ombudsman submits a report on the work performed to the HR, Remuneration and Social Issues Committee and the Audit and Risk Committee of the Board of Directors of the Company.

On March 13, 2025, the Human Resources Management Department of the Company sent information on staff turnover and on bringing to disciplinary responsibility of the Company's employees for 2024 to the report on the results of the activities of the Company's Ombudsman for the reporting year.

The Internal Audit Service has been created and operates to carry out internal audit as an activity to provide independent and objective guarantees and consultations aimed at improving the Company's operations. Internal audit helps to achieve the set goals using a systematic and consistent approach to assessing and improving the efficiency of risk management, control and corporate governance processes.

The Board of Directors of the Company determines the number of members and the term of office of the Internal Audit Service, appoints its head and employees, and terminates their powers early, determines the procedure for its work, the amount and conditions of remuneration and bonuses for employees of the Internal Audit

Service, as well as the budget of the Internal Audit Service.

Employees of the Internal Audit Service cannot be elected to the Board of Directors and the Management Board of the Company.

The Internal Audit Service reports directly to the Board of Directors of the Company and is independent of the Management Board of the Company. The tasks and functions of the Internal Audit Service, its rights and responsibilities are determined by the Regulation on the Internal Audit Service, approved by the Board of Directors of the Company. The key responsibilities of the Internal Audit Service include assessing the quality of the internal control, risk management and corporate governance systems in the Company and communicating to the Board of Directors information on the adequacy and effectiveness of these systems. The main objective of the Internal Audit Service is to contribute to improving the Company's performance.

The Regulation on the Internal Audit Service defines and formalises the following:

1. commitment to the principles and provisions adopted by the international Institute of Internal Auditors;
2. the status, goals and objectives of the internal audit of the Company;
3. conditions for ensuring the independence, objectivity and

professionalism of the Internal Audit Service to achieve the goals and objectives of internal audit and the effective performance of its functions and responsibilities by the Internal Audit Service;

4. qualification requirements for the head and employees of the Internal Audit Service;
5. the scope and content of internal audit activities;
6. the right of access to documentation, employees and tangible assets when performing relevant tasks;
7. the procedure for interaction between the Internal Audit Service and the Board of Directors and the Management Board of the Company and reporting to the Audit and Risk Committee and the Board of Directors of the Company.

The Regulation on the Internal Audit Service also provides for the following tasks and functions:

1. assisting the Management Board and employees of the Company in developing and monitoring the implementation of procedures and measures to improve the risk management, internal control and corporate governance systems;
2. coordinating activities with the Company's external auditor, as well as persons providing consulting services in the field of risk management, internal control and corporate governance;
3. conducting internal audit of the Company within the established procedure;

4. preparing and submitting to the Board of Directors and the Audit and Risk Committee periodic reports on the results of the internal audit service's activities and the implementation of the (annual) audit plan (including information on significant risks, deficiencies, results and effectiveness of measures to eliminate identified deficiencies, results of assessing the actual state, reliability and effectiveness of the risk management, internal control and corporate governance system);
5. verification of compliance by members of the Company's Management Board and its employees with the provisions of the legislation of the Republic of Kazakhstan and internal documents related to insider information and the fight against corruption, compliance with ethical requirements;
6. monitoring the implementation of the recommendations of the external auditor;
7. providing consultations within the framework of the work plan approved by the Board of Directors on issues of organising and improving internal control, risk management, corporate governance and organising internal audit, as well as on other issues within the competence of the Internal Audit Service.

Assessment of the effectiveness of the Internal Audit Service,

its head and employees is carried out by the Board of Directors based on the review of the reports of the Internal Audit Service, compliance with the deadlines for the implementation of the (annual) audit plan and reporting, assessment of the compliance of reports with the requirements of standards and internal regulatory documents of the Internal Audit Service.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company has an Internal Audit Service. By the decision of the Board of Directors dated 30.06.2022 (Minutes No. 8), the term of office of the Internal Audit Service of the Company was determined until 30.07.2025. The functional accountability of the Internal Audit Service to the Board of Directors is fixed and implemented in practice. The head of the Internal Audit Service directly interacts with the Board of Directors. Individual objectivity is ensured (avoidance of conflicts of interest). Internal auditors do not perform operational functions that are subsequently subject to audit. In accordance with the Regulation on the Internal Audit Service, IAS employees cannot be elected to the Board of Directors and the Management Board of the Company. Relevant methodologies for assessing

the corporate governance, risk management, and internal control systems have been approved. The Internal Audit Service conducts regular assessments of these systems, and the results are submitted to the Board of Directors for consideration. The Internal Audit Service provides recommendations for improving the above systems. The Regulation on the Internal Audit Service has been approved, which complies with the requirements of the Standards and the Code of Ethics. The requirements for the knowledge and skills of internal auditors have been formalised. The IAS employees possess the necessary collective knowledge and skills. The IAS budget is approved annually, which provides for the costs of training the IAS employees. The procedures for periodic reporting on the IAS performance results have been established and are implemented in practice; within the framework of the specified reporting, information is provided on the violations and deficiencies identified, as well as on the risks accepted by the management. Monitoring of the measures taken based on the audit engagement results has been formalised and implemented in practice. Within the framework of periodic reporting, the monitoring results are submitted to the Board of Directors. The requirements for generating the audit engagement results have been formalised and implemented in practice. The procedures for storing and accessing audit files have been

formalised and observed in practice. Within the framework of the approved annual audit plan, the IAS carries out consulting assignments at the request of the Company's structural divisions. The Quality Assurance and Improvement Program has been developed and approved. The criteria for assessing the quality of the IAS employees' work have been developed and approved by the Board of Directors; the assessment results are submitted for consideration to the Board of Directors as part of the assessment of the IAS performance effectiveness. The Quality Assurance and Improvement Program provides for an annual internal assessment of the quality of the IAS activities (self-assessment). Based on the results of the annual self-assessment, the Board of Directors approves an action plan to improve the activities of the Internal Audit Service. By the decision of the Board of Directors dated 11.03.2025, the report on the internal assessment of the quality of the Internal Audit Service for 2024 was reviewed and an action plan for the development and improvement of internal audit activities for 2025 was approved.

The current activities of the Company are managed by the Management Board. The Chairman and members of the Management Board have high professional and personal characteristics, a good business reputation and adhere to ethical

standards. The Chairman of the Management Board has high organisational skills, works in active interaction with the Sole Shareholder and constructively builds a dialogue with the Board of Directors, employees and other stakeholders.

The Management Board is accountable to the Board of Directors and manages the daily activities of the Company, is responsible for the implementation of the development strategy and/or development plan and decisions made by the Board of Directors and the Sole Shareholder.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company has a collegial executive body – the Management Board.

The work of the Management Board is aimed at fulfilling the Company's objectives and implementing the Company's development strategy.

As of December 31, 2024, the actual personal composition of the Company's Management Board consists of the following members of the Management Board:

1. Chairman of the Management Board – Aidar Prashev (appointed by the decision of the Sole Shareholder of the

Company – the Management Board of the Holding dated July 20, 2022 No. 30/22);

2. Deputy Chairman of the Management Board – Mars Alish (appointed to the position by the decision of the Board of Directors of the Company dated July 19, 2022 No. 9);

3. Deputy Chairman of the Management Board – Yerkebulan Zhumzhayev (appointed to the position by the decision of the Board of Directors of the Company dated July 19, 2022 No. 9);

4. Deputy Chairman of the Management Board – Zhanuzak Orazbayev (appointed to the position by the decision of the Board of Directors of the Company dated July 19, 2022, No. 9);

5. Deputy Chairman of the Management Board – Aidos Seitzhanov (appointed to the position by the decision of the Board of Directors of the Company dated July 19, 2022, No. 9).

The Chairman and members of the Management Board of the Company have high professional and personal characteristics, have an impeccable business reputation and adhere to high ethical standards.

Chairman of the Management Board A. Prashev has high organisational skills, works in active interaction with the Sole Shareholder and constructively builds a dialogue with the Board of Directors, employees and other stakeholders.

The Board of Directors elects the members of the Management Board (except for the Chairman of the Management Board), determines the terms of office, the amount of official salary, the terms of payment for their work and bonuses. The key role in the process of searching for and selecting candidates for the Management Board, determining their remuneration is played by the Committee on Human Resources, Remuneration and Social Issues of the Board of Directors of the Company.

The Chairman of the Management Board submits proposals on candidates for election to the Management Board for consideration by the Committee on Human Resources, Remuneration and Social Issues of the Board of Directors. In the event that the Board of Directors rejects a candidate proposed by the head of the Management Board for the same vacant position on the Management Board for the second time, the right to submit a proposal on a candidate for this vacant position passes to the Board of Directors.

The Board of Directors may at any time terminate the powers of the members of the Management Board (except for the Chairman of the Management Board).

It is recommended to elect members of the Management Board of the Company for a term of up to three years. The terms of office of the Chairman and

members of the Management Board coincide with the term of office of the Management Board as a whole.

In order to increase the transparency of the processes of appointment and remuneration of members of the Company's Management Board, the Board of Directors is recommended to approve and strictly adhere to the rules on the appointment, remuneration, evaluation and succession of members of the Company's Management Board.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The processes of electing members of the Company's Management Board are regulated by the Regulation on the Management Board approved by the resolution of the Board of Directors of the Company dated March 30, 2022 (minutes No. 3).

By the resolution of the Management Board of NMH Baiterek JSC dated July 20, 2022 No. 30/22, A.Prashev was elected Chairman of the Company's Management Board from July 31, 2022 with a term of office until the expiration of the term of office of the Company's Management Board as a whole.

By the resolution of the Board of Directors of the Company

dated July 19, 2022 No. 9, the composition of the Company's Management Board was determined in the amount of 5 (five) members with a term of office of the Management Board for 3 years, from July 31, 2022 to July 31, 2025. Also, this decision elected the deputy chairmen of the Company's Management Board M.Alish, Y. Zhumzhayev, A.Seytzhayev and Z.Orazbayev members of the Management Board.

The processes of remuneration of members of the Management Board of the Company are regulated by the Rules of remuneration, performance assessment and remuneration of the Company's executives, approved by the decision of the Board of Directors of the Company dated September 30, 2021 (minutes No. 11).

The Management Board holds in-person meetings and discusses issues related to the implementation of the development strategy and/or development plan, decisions of the Sole Shareholder, the Board of Directors, and operational activities. Meetings of the Management Board are held on a regular basis. Cases of holding meetings in absentia are limited and defined in the Charter and internal documents of the Company.

The Management Board forms a work plan for the coming year with a list of issues before the beginning of the calendar year.

Members of the Management Board are provided with materials for consideration of due quality in advance. When considering such issues as development strategies and/or development plans, investment projects, risk management, several meetings may be held.

When considering each issue, a separate discussion is devoted to the risks associated with making/not making a decision and their impact on the profitable operations of the Company.

All issues submitted at the initiative of the Management Board for consideration by the Board of Directors and the Sole Shareholder are preliminarily reviewed and approved by the Management Board.

The Chairman and members of the Management Board do not allow a situation with a conflict of interest to arise. If a conflict of interest arises, they notify the Board of Directors or the Chairman of the Management Board in advance of the need to record this in writing and not participate in making a decision on the issue.

The Chairman and members of the Management Board may hold positions in other organisations only with the approval of the Board of Directors. The Chairman of the Management Board does not hold the position of head of the management board of another legal entity.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

By the decision of the Company's Management Board dated December 28, 2023, No. 39, the Management Board's work plan for 2024 was approved.

A list of issues proposed for inclusion in the Company's Management Board Work Plan for 2024 was determined. The work plan reflects issues on the approval of the Company's internal regulatory documents, the initiation of the convening of the Board of Directors, the approval of action plans, the write-off of fixed assets and other issues.

During 2024, 43 meetings of the Company's Management Board were held, all in person, the meetings were held on a regular basis.

According to the Regulation on the Management Board, draft decisions must be signed by the head of the initiating department, the head of the legal department, for compliance with the draft decision with the requirements of the law, and their supervising managers, the head of the structural unit implementing risk management, for compliance with the Company's risk management policy.

In addition, according to subparagraph 1) of paragraph 85 of the Company's Charter, the

competence of the Management Board includes preliminary consideration of issues submitted to the Sole Shareholder and the Board of Directors, with the exception of issues of the internal audit service, corporate secretary, compliance service, and ombudsman.

The goals and objectives of the Company must correspond to the mission of the Company and are consistent with the risk appetite of the Company. The Risk Management Department, when coordinating a draft resolution of the Management Board and other authorised bodies, ensures that decisions are taken that are balanced with the risk level. When coordinating a draft resolution of the Authorised Body, the Risk Management Department checks for compliance/non-compliance of the draft resolution with the approved level of risk appetite of the Company.

The Chairman and members of the Management Board are assessed by the Board of Directors. The main criterion for assessment is the achievement of the set KPIs.

The motivational KPIs of the Chairman and members of the Management Board are approved by the Board of Directors of the Company. Proposals regarding the motivational KPIs of the members of the Management Board are submitted to the Board of Directors by the Chairman of the Management Board.

workers, fair remuneration and respect for workers' rights, individual development of personnel, implementation of social programs for personnel, creation of new jobs, sponsorship and charity, and holding environmental and educational events.

The Company analyses its activities and risks in these three aspects and also strives to prevent or reduce the negative impact of the results of its activities on stakeholders.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

Sustainable development in the Company is carried out in accordance with the Sustainable Development Policy and consists of three component categories: economic, environmental and social.

The economic component of the sustainable development of the Company contains the following goals:

1. profitability of the Company's activities;
2. ensuring the interests of the Sole Shareholder and investors;
3. improving the efficiency of processes;
4. increasing investment in agriculture;
5. creating new jobs.

The environmental component of the sustainable development of the Company contains the following goals:

1. minimising the impact on biological and physical natural systems;
2. optimal use of limited resources;
3. the use of environmentally friendly, energy- and material-saving technologies.

The social component of the sustainable development of the Company contains the following goals:

1. ensuring transparent competitive procedures and equal opportunities in hiring;
2. fair remuneration and respect for workers' rights;
3. ensuring labour safety and maintaining the health of workers;
4. training and professional development of workers;
5. implementation of internal and external social programs.

The Company is developing a sustainable development management system that includes, but is not limited to, the following elements:

1. commitment to sustainable development principles at the level of the Board of Directors, the Management Board and employees;
2. analysis of the internal and external situation in three components (economy, ecology, social issues);
3. identification of sustainable development risks in the

social, economic and environmental spheres;

4. construction of a stakeholder map;
5. integration of sustainable development into key processes, including risk management, planning, human resource management, investments, reporting, operations and others, as well as into the development strategy and decision-making processes;
6. definition of goals and KPIs in sustainable development, development of an action plan and identification of responsible persons;
7. advanced training of officials and employees in sustainable development;
8. regular monitoring and evaluation of sustainable development activities, evaluation of the achievement of goals and KPIs, adoption of corrective measures, introduction of a culture of continuous improvement.

The Board of Directors and the Management Board of the Company ensure the formation of an appropriate system in the field of sustainable development and its implementation. All employees and officials at all levels contribute to sustainable development.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

Sustainable development management in the Company is carried out within the framework of the general system of management of the Company's activities and is an integral part of it.

The SD Policy defines the fundamental principles and approaches to building a management system in the field of sustainable development.

The Company's objectives in the field of sustainable development are:

1. consistent implementation of sustainable development principles in key business processes and the corporate decision-making system;
2. conducting an analysis of activities and risk control in the field of sustainable development in the context of its three components;
3. improving the quality of sustainable development management by organising systematic work;
4. creating mechanisms for effective interaction between the Company and stakeholders, including regular reporting on the results of activities in the field of sustainable development.

The Company's approach to sustainable development issues is based on the consistency of the interests and strategic plans of the Company with the main principles in the field of sustainable development and compliance with the principles of fair and responsible behaviour in relation to all stakeholders.

The Company develops action plans in the field of sustainable development by:

1. analysing the current situation in three main areas: economic, environmental and social; when conducting this analysis, the reliability, timeliness and quality of information are important;
2. identifying risks in the field of sustainable development; risks are distributed in accordance with the three areas of sustainable development and can also affect related areas and capture other risks. To determine the risks, an analysis of both internal and external factors affecting the Company is carried out;
3. identifying stakeholders and their impact on activities;
4. defining goals, and, if possible, target indicators, activities to improve and perfect activities in three components, responsible persons, necessary resources and deadlines;
5. regular monitoring and evaluation of the implementation of goals, activities to achieve target indicators;
6. systematised and constructive interaction with stakeholders, receiving feedback;
7. implementing the formed plan;
8. ongoing monitoring and regular reporting;
9. analysis and evaluation of the plan's effectiveness, summing up the results and taking corrective and improving measures.

Sustainable development is recommended to be integrated into:

1. the management system;
2. the development strategy;
3. key processes, including risk management, planning (long-term (strategy), medium-term (5-year development plan) and short-term (annual budget) periods), reporting, risk management, human resource management, investments, operational activities and others, as well as into decision-making processes at all levels, starting from bodies (Sole Shareholder, Board of Directors, Management Board) and ending with ordinary employees.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

In the reporting year, the Company implemented the Sustainable Development Action Plan of KazAgroFinance for 2024–2026, approved by the Management Board decision dated September 11, 2024, No. 29.

The report on the implementation of the Sustainable Development Action Plan of KazAgroFinance JSC for 2024–2026 for 2024 was reviewed and approved by the Management Board on February 28, 2025 (Minutes No. 5).

The Plan reflects the Company's initiatives in an effort to follow international best practices in the field of sustainable development.

The Plan includes activities on three components of sustainable development (economic, environmental and social). The implementation of the Plan includes such activities as improving the energy supply culture, reducing energy consumption, optimising paperwork, increasing the coverage of trained employees and a number of other activities.

The sustainable development management system defines and establishes the roles, competencies, and responsibilities of each body and all employees for the implementation of principles, standards, and relevant policies and plans in the field of sustainable development.

The Company's Board of Directors exercises strategic management and control over the implementation of sustainable development. The Company's Management Board forms and approves the relevant action plan.

In order to prepare sustainable development issues, a committee is created or these functions are delegated to the competence of one of the existing committees under the Company's Board of Directors on sustainable development issues.

The Company conducts training and advanced training programs on an ongoing basis. Training is a permanent element in the implementation of sustainable development. The Company's officials promote employee involvement in sustainable development based on understanding and commitment to the principles of sustainable development and changing the culture, behaviour in conducting activities, and fulfilling responsibilities. The Company conducts annual research on employee involvement and satisfaction.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company's structural divisions implement sustainable development activities. The heads of the relevant structural divisions of the Company are personally responsible for the implementation of sustainable development activities within their competencies.

The Company's structural divisions provide information on the results of the implementation of sustainable development activities, as well as information for inclusion in the Company's annual report at the request of the department supervising the Company's sustainable development activities, and, if necessary,

make proposals to improve the Company's activities in this area.

The Company's Board of Directors has a Strategic Planning and Corporate Development Committee whose competence includes reviewing and providing recommendations to the Company's Board of Directors on issues of preliminary review of acts in the field of sustainable development, monitoring compliance with sustainable development principles, and assessing the achievement of goals and key performance indicators in the field of sustainable development.

In order to ensure a high level of the Company's human resources potential, employees undergo training and advanced training.

The training is carried out in accordance with the Plan for advanced training and professional development of KazAgroFinance employees, approved on January 30, 2024 No. 20/20/51 919.

In 2024, the training and advanced training system covered 532 employees, of which 246 were in the central office (175.7% of the planned number) and 286 were in the branches (142.3% of the planned number).

The Company's employees have completed various trainings and advanced training courses (off-line & on-line).

A study of the engagement and satisfaction of employees of National Managing Holding Baiterek JSC and its subsidiaries was conducted at the end of 2024, using uniform evaluation criteria.

5. THE PRINCIPLE OF RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

The Company has an effectively functioning risk management and internal control system aimed at ensuring reasonable assurance that the Company will achieve its strategic and operational goals, and representing a set of organisational policies, procedures, standards of conduct and actions, methods and management mechanisms created by the Board of Directors and the Management Board of the Company to ensure:

1. an optimal balance between the profitability of the Company's activities, strategic goals and the risks associated with them;
2. the effectiveness of financial and economic activities and achieving financial stability of the Company;
3. the safety of assets and the efficient use of the Company's resources;
4. the completeness, reliability and accuracy of financial and management reporting;
5. compliance with the requirements of the legislation of the Republic of

Kazakhstan and the internal documents of the Company;

6. adequate internal control to prevent fraud and ensure effective support for the functioning of the main and auxiliary business processes and analysis of performance results.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company has risk management and internal control systems, which are a set of interrelated components (organisational policies, procedures, methods, mechanisms, standards of conduct and actions, etc.) aimed at providing reasonable assurance that the Company will achieve its strategic and operational goals.

Risk management in the Company is a permanent, dynamic and continuous process and consists of components according to the following scheme: identification, measurement, control, monitoring.

The Internal Audit Service assesses the effectiveness of risk management and internal control systems at established intervals.

The assessment of the corporate risk management

system for 2021 was carried out by external consultants from KPMG. Based on the assessment results, the final rating of the corporate risk management system was 82%. The score of 82% corresponds to the "Mature" efficiency level and the elements of the risk management system correspond to "best practice" and the risk management system is sufficiently effective.

The Company is constantly improving the corporate risk management system.

The internal control system is an integral part of the Company's corporate governance system, covers all management levels, all internal processes and operations of the Company.

In order to implement internal control, the Company has built a three-line defence:

- ♦ the first line of defence, in the structural divisions of the Company, by order of the Chairman of the Management Board, internal controllers are appointed from among the Company's employees;
- ♦ the second line of defence, structural divisions of the Company that perform control functions;
- ♦ the third line of defence is provided by the Internal Audit Service by assessing the effectiveness of the Company's internal control system.

In order to ensure the effective functioning of the Company's

internal control system, in 2024 the Action Plan for improving the internal control system of KazAgroFinance for 2022-2024, approved by Resolution of the Board of Directors No. 15 dated 23.12.2021, was completed. The plan includes activities in five components: control environment, risk assessment, control procedures, information and communication channels, monitoring.

The report on the implementation of the Plan for 2024 was approved by the decision of the Board of Directors dated March 11, 2025, No. 1.

The action plan for improving the internal control system of KazAgroFinance for 2025-2027 was approved by the decision of the Board of Directors dated March 11, 2025, No. 1.

The Internal Audit Service of the Company assesses the effectiveness of the internal control system at established intervals.

At the end of 2023, an external assessment of the effectiveness of the internal control system was conducted. The assessment was carried out by International Consulting Firm RUSSELL BEDFORD A+Partners LLP.

The effectiveness of the Company's internal control system according to the assessment results was 90.20%.

The Board of Directors of the Company approves internal documents defining the principles and approaches to organising the risk management and internal control system, based on the objectives of this system.

Organisation of an effective risk management and internal control system in the Company is aimed at building a management system capable of ensuring that employees, management, and bodies of the Company understand the reasonableness and acceptability of the risk level when making decisions, quickly respond to risks, exercise control over the main and auxiliary business processes and daily operations, and immediately inform the management of the appropriate level of any significant deficiencies.

The principles and approaches to organising an effective risk management and internal control system include:

1. defining the goals and objectives of the risk management and internal control system;
2. the organisational structure of the risk management and internal control system covering all levels of decision-making and taking into account the role of the appropriate level in the process of developing, approving, applying and evaluating the risk management and internal control system;

3. the main requirements for organising the risk management process (approaches to determining risks, the procedure for identifying and assessing risks, determining response methods, monitoring, etc.);
4. requirements for the organisation of the internal control system and the implementation of control procedures (characteristics of key areas and main components of the internal control system, the procedure for assessing the effectiveness and reporting in the area of internal control, etc.).

The internal regulatory documents of the Company establish the responsibility of the Board of Directors and the Management Board of the Company for organising and ensuring the effective functioning of the risk management and internal control system on a consolidated basis.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Board of Directors of the Company approved the following internal documents:

Risk Management Policy (approved by the decision of the Board of Directors of the

Company dated August 31, 2021 (Minutes No. 10);

The main objectives of the Risk Management Policy are:

- ♦ building an effective comprehensive system and creating an integrated risk management process, as well as continuous improvement of activities based on a single standardised approach to risk management methods and procedures;
- ♦ ensuring that the Company takes on acceptable risks adequate to the scale of the Company's activities.

Risk management in the Company is a constant, continuous process and is carried out at all levels with the involvement of collegial bodies, authorised bodies, structural divisions and employees of the Company.

Policy on the internal control system of KazAgroFinance (approved by the decision of the Board of Directors of the Company dated September 6, 2019, No. 9).

The policy defines the concepts, goals and objectives of the internal control system, the principles of its functioning, the key areas and main components of internal control procedures, as well as the competence and responsibility of the subjects of internal control on the implementation of procedures and assessment of the Company's internal control system.

The main objective of the Internal Control System Policy is to achieve the set objectives in three key areas:

- ♦ operational activities;
- ♦ preparation of financial statements;
- ♦ compliance with the requirements of regulatory legal acts.

The Internal Control System Policy applies to officials and employees of all levels of management and activities of the Company, structural divisions, as well as other internal control participants and stakeholders.

In addition, in order to determine the procedure for ensuring the effective functioning of the internal control system, the Company has approved the Rules for the implementation of the Internal Control System Policy of the Company.

The Company will continue to develop the internal control system and ensure its effective functioning.

Each official of the Company ensures that risks are properly considered when making decisions.

The Management Board of the Company ensures that risk management procedures are implemented by employees with the appropriate qualifications and experience.

The Management Board:

1. ensures the development and implementation of internal documents approved by the Board of Directors in the field of risk management and internal control;
2. ensures the creation and effective functioning of the risk management and internal control system through the practical implementation and continuous implementation of the principles and procedures for risk management and internal control assigned to it;
3. is responsible for the implementation of decisions of the Board of Directors and recommendations of the Audit and Risk Committee in the field of organising the risk management and internal control system;
4. monitors the risk management and internal control system in accordance with the requirements of internal documents;
5. ensures the improvement of risk management and internal control processes and procedures, taking into account changes in the external and internal business environment.

In order to implement the principles of internal control and ensure the effectiveness of the risk management and internal control system, the Company's Management Board distributes powers, duties and responsibilities for specific risk management and internal control procedures between

the principles of business ethics by the Company's employees.

7. PRINCIPLES OF TRANSPARENCY AND OBJECTIVITY OF DISCLOSURE OF INFORMATION ON THE COMPANY'S ACTIVITIES

In order to protect the interests of stakeholders, the Company promptly and reliably discloses information stipulated by the legislation of the Republic of Kazakhstan and the internal documents of the Company, as well as information on all important aspects of its activities, including financial condition, performance, ownership and management structure.

To ensure systematic disclosure of information, the Company approves internal documents defining the principles and approaches to the disclosure and protection of information, the list of information disclosed to stakeholders, the terms, procedure, method, form of disclosure of information, responsible officials and employees indicating their functions and responsibilities, as well as other provisions governing the processes of disclosure of information.

In order to protect information constituting a commercial and official secret, the Company, in accordance with the legislation

of the Republic of Kazakhstan, determines the procedure for classifying information into access categories, the conditions for storing and using information. The Company determines the circle of persons entitled to free access to information constituting a commercial and official secret and takes measures to protect its confidentiality.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

In order to ensure the transparency of its activities, the Company is guided by the Policy for Disclosure of Information on the Activities of KazAgroFinance, approved by the decision of the Board of Directors dated February 11, 2021 No. 1, which defines the goals, principles, forms and methods of disclosing information, a list of information constituting a commercial, official or other secret protected by law.

The procedure and terms for disclosing information on the Internet resources of the financial statements depository, the Kazakhstan Stock Exchange, and the corporate Internet resource of the Company are regulated in the Instructions on the Procedure for Disclosing Information on the Activities of KazAgroFinance, updated by

the decision of the Management Board dated March 15, 2023 No. 5 (hereinafter referred to as the Instructions on the Procedure for Disclosing Information).

The Instructions on the Procedure for Disclosing Information provide for a list of information disclosed to interested parties, the terms, procedure, method, form of disclosure of information, responsible officials and employees indicating their functions and responsibilities, as well as other provisions governing the disclosure of information

In 2024, in accordance with the requirements of the legislation and the Rules for Disclosure of Information by Initiators of Admission of Securities of the Kazakhstan Stock Exchange, the Company disclosed information on corporate events, financial statements, information on affiliates and other information affecting the interests of the shareholder. Based on the results of 2024, 74 publications were posted on the Internet resource of the Kazakhstan Stock Exchange, and 52 on the Internet resource of the financial statements depository. There were no violations of the terms of disclosure of information in 2024.

In addition, the corporate Internet resource of the Company www.kaf.kz contains complete information on the Company's activities, organisational structure,

financing products and other significant information.

The Company has in place the KazAgroFinance Information Security Policy, approved by the decision of the Company's Board of Directors dated October 27, 2023, No. 10.

The website is structured, easy to navigate and contains information sufficient for interested parties to understand the Company's activities. It is recommended that the information be placed in separate thematic sections of the website.

The Internet resource is updated as needed, but at least once a week. The Company regularly monitors the completeness and relevance of the information posted on the website and also determines the compliance of this information with the Kazakh, Russian, and English versions of the Internet resource. For these purposes, responsible persons (structural unit) are assigned who are responsible for the completeness and relevance of the information on the Internet resource.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The official website of the Company (www.kaf.kz) is

structured and easy to use. It contains general information about the Company, information about the management, performance results and other information in accordance with the best practices of corporate governance.

The corporate website of the Company is updated on an ongoing basis, based on requests from structural divisions and control over the relevance of data, information is published in equal access in Russian, Kazakh, English (if necessary) languages.

The improvement and modernisation of the corporate website of the Company is carried out as necessary.

The procedure for maintaining the corporate website of the Company is regulated by the Instruction on the procedure for disclosing information (Annex No. 3, 3-1) and determines the structural divisions responsible for the timely updating, filling and updating of sections of the corporate website.

The Company shall prepare an annual report in accordance with the provisions of this Code and the best practices of information disclosure. The annual report shall be approved by the Sole Shareholder.

The annual report is a structured document and shall be published in Kazakh, Russian and English (if necessary).

The annual report shall be prepared and, after approval by the Sole Shareholder of the Company, shall be posted on the Internet resource.

The minimum requirements for the content of the annual report shall include the following information:

1. address by the Chairman of the Board of Directors of the Company;
2. address by the Chairman of the Management Board;
3. about the Company: general information; about the structure of the authorised capital, including the following information: the number and par value of issued shares (participatory interests), description of the rights granted by shares, the number and par value of declared but unplaced shares, information about the Sole Shareholder, the number of ordinary shares owned by him, the procedure for disposing of property rights; mission; development strategy, the results of its implementation; market overview and market position;
4. results of financial and operating activities for the reporting year: overview and analysis of activities in relation to the set objectives; operational and financial performance indicators; key material events and achievements; information on significant transactions; any financial support, including guarantees received/obtained from the state and

- any obligations to the state and society assumed by the Company (if not disclosed in accordance with IFRS);
5. asset structure, overview, main results of their financial and production activities;
 6. goals and plans for future periods;
 7. main risk factors and risk management system;
 8. corporate governance: corporate governance structure; shareholder composition and ownership structure; composition of the Board of Directors, including qualifications, selection process, including independent directors with an indication of the criteria for determining their independence; report on the activities of the Board of Directors and its committees, which reflects the results of the activities of the Board of Directors and its committees for the reporting period, material events, issues considered, number of meetings, form of meetings, attendance; information on the compliance of corporate governance practices with the principles of this Code, and if they do not comply, an explanation of the reasons for non-compliance with each of the principles; composition of the Company's Management Board; report on the activities of the Management Board; remuneration policy for officials;
 9. sustainable development;

10. auditor's report and financial statements with notes;
11. the analytical indicators and data included in the annual report should reflect a comparative analysis and the progress achieved (regression) in relation to the previous period (comparison with the values of similar indicators indicated in the previous annual report). In order to compare indicators with international companies operating in a similar industry, it is recommended to publish performance indicators that will allow for an industry benchmarking analysis.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

The Company prepares an annual report on the results of its activities, approved by the Sole Shareholder.

In 2024, by the decision of the Sole Shareholder dated July 25, 2024 No. 14, the Company's Annual Report for 2023 was approved.

The annual report of KazAgroFinance for 2023 (hereinafter referred to as the Annual Report) has been developed in accordance with the structure defined by the Rules for Disclosure of Information

by Initiators of Admission of Securities to the Kazakhstan Stock Exchange, the Instructions on the Procedure for Disclosing Information on the Activities of KazAgroFinance, as well as the best practices for the preparation of annual reports (in accordance with the GRI Standards (main level of compliance)).

The information presented in the Annual Report discloses reliable information, ensures the transparency of the Company's activities and reflects the Company's commitment to the principles of corporate governance.

The Annual Report is posted on the Company's corporate website in the "Reporting" section www.kaf.kz/upload/iblock/467/wf9a7yzbifuzq994uLsihiq0vpq8sez8/AR2023_KAF_rus.pdf.

The Company took part in the competition of Annual Reports for 2023.

According to the results of the annual competition of annual reports held by PwC Kazakhstan, the Annual Report of KazAgroFinance for 2023 entered the Top 50 best companies, taking 31st position in terms of ESG information disclosure.

The Company interacts with business partners (clients, investors, rating agencies,

consulting companies, etc.) on the basis of mutual benefit, respect, trust, honesty and fairness. The Company does business only with reliable business partners who are engaged in legal activities.

The Company selects service/goods suppliers primarily on a competitive basis in accordance with the law and the Company's internal documents.

The Company conscientiously fulfils its contractual obligations to business partners and requires the same from them.

The Company always resolves disputes arising in the course of its activities through legal means, conducting negotiations and seeking to find mutually acceptable compromises.

Complied

Activities carried out to implement the principles and provisions of the Corporate Governance Code

In accordance with the Management Policy, when interacting with investors and counterparties of the Company:

1. sufficiently discloses up-to-date information on the financial position, dividend policy and credit history, as well as on development prospects;
2. financial and management reporting is prepared and

submitted in a timely manner in accordance with legislative and regulatory requirements, while the financial reporting is verified by independent auditors;

3. information on the influence of the Sole Shareholder and other interested parties (government agencies), as well as on the procedure for monitoring and coordinating transactions with interested parties is known, transparent and accessible;
4. carries out proactive communication of approaches to making strategic decisions;
5. conscientiously fulfils its contractual obligations to business partners;
6. ensures information transparency, openness, equality, fairness, absence of discrimination and unreasonable restrictions on competition in strict accordance with the legislation of the Republic of Kazakhstan;
7. adheres to the principles of corporate governance and improvement of the corporate governance system in accordance with leading global practices.

When interacting with clients and consumers, the Company:

1. provides services available to consumers;
2. ensures the security of consumer data and commercial information in order to protect against their leakage and unauthorised use;

3. provides services of the same quality and the same level of service without discrimination to all groups of consumers;
4. contributes to improving the quality of service and service to the population, which is expressed in improving customer service standards;
5. communicates information to clients about new tools and principles of work on a regular basis;
6. contributes to improving the financial literacy of consumers and its clients to the best of its ability and in accessible forms.

The Company purchases goods, works and services in real time and provides participants with access to an electronic format for concluding civil law transactions for the purchase of goods, works and services with certification of legal actions with an electronic digital signature. The portal provides domestic suppliers with the opportunity to participate in the Company's competitive purchases. Purchases are made on the Eurasian Electronic Portal: eep.mitwork.kz.

The international rating agency Fitch Ratings annually conducts a rating assessment of the Company to assign a long-term credit rating, conducts a thorough analysis. Fitch Ratings has deep experience, more than 100 years, in more than 20,000 organisations around the world.

ANNEX 5.

REPORT ON TRANSACTIONS IN WHICH THERE IS AN INTEREST FOR 2024

Counterparty name:
Bereke Bank JSC

Sign of interest:

In accordance with subparagraph 3) of paragraph 1 of Article 64 of the Law of the Republic of Kazakhstan On Joint Stock Companies (hereinafter referred to as the Law), an affiliated person of the company is an official of the company or a legal entity specified in subparagraphs 1), 4), 5), 6), 6-1), 7), 8), 9) and 10) of the paragraph, with the exception of an independent director.

According to the specified provision of the Law, Chairman of the Board of Directors of Bereke Bank JSC Kanat Sharlapayev and member of the Board of Directors of Bereke Bank JSC Yersain Khamitov are affiliated persons of the Company.

According to subparagraph 2) of paragraph 1 of Article 71 of the Law, persons interested in the conclusion of a transaction by the Company are recognised as affiliated persons of the

Company if they are affiliated persons of a legal entity that is a party to the transaction or participating in it as a representative or intermediary.

In this regard, it follows that there is an interest in the conclusion of these transactions on the part of the said affiliated persons of the Company.

In accordance with paragraph 1 of Article 73 of the Law, a decision on the conclusion of a transaction by the company in the conclusion of which there is an interest is taken by a simple majority of votes of the members of the board of directors who are not interested in its conclusion, except for cases when the standard terms of such a transaction are approved by the board of directors of the company.

In this regard, a decision on this issue is taken by a simple majority of votes of the members of the Board of Directors, namely, independent

directors, the Chairman of the Management Board of the Company, representatives of the Sole Shareholder and NMH Baiterek JSC.

In accordance with subparagraph 19) of paragraph 2 of Article 53 of the Law, the exclusive competence of the Board of Directors includes making a decision on the conclusion of major transactions and transactions in which the company has an interest, with the exception of major transactions, the decision on the conclusion of which is taken by the general meeting of shareholders of the company in accordance with subparagraph 17-1) of paragraph 1 of Article 36 and paragraph 3-1 of Article 73 of the Law.

According to subparagraph 23) of paragraph 37 of the Company’s Charter, the exclusive competence of the Board of Directors of the Company includes making decisions on concluding major

transactions and transactions in which the Company has an interest, with the exception of major transactions, the decision on concluding which is made by the Sole Shareholder of the Company in accordance with the Law.

Type of obligation:

1. Opening a Mobile term deposit and joining the terms of placement of term and savings deposits with a maximum deposit amount of up to 20,000,000,000 KZT;
2. Opening a Mobile term deposit and joining the terms of placement of term and savings deposits with a maximum deposit amount of up to 10,000,000,000 USD;

Counterparty name:
National Management Holding Baiterek JSC (hereinafter referred to as the Holding)

Sign of interest:

In accordance with subparagraph 3) of paragraph 1 of Article 64 of the Law of the Republic of Kazakhstan On Joint Stock Companies (hereinafter referred to as the Law), an affiliated person of the Company is an official of the Company or legal entity specified in subparagraphs 1), 4), 5), 6), 6-1), 7), 8), 9) and 10) of the paragraph, with the exception of an independent director.

According to the specified provision of the Law, Nurbolat Aidapkelov is an affiliated person of the Company and the Holding, since he is an official of the Company (Chairman of the Board of Directors) and the Holding (Deputy Chairman of the Management Board, member of the Management Board).

Niyaz Koshkimbayev is an affiliated person of the Company and the Holding, since he is an official of the Company (member of the Board of Directors). Kairat Sapulatov is an affiliate of the Company and the Holding, as he is an official of the Company (member of the Board of Directors) and Agrarian Credit Corporation JSC (Deputy Chairman of the Management Board, member of the Management Board).

Aydar Prashev is an affiliate of the Company and the Holding, as he is an official of the Company (member of the Board of Directors, Chairman of the Management Board).

Based on the above provisions of the Law, all members of the Board of Directors of the Company will be affiliated

persons of the Holding (as parties to the transaction in accordance with subparagraph 2) of paragraph 1 of Article 71 of the Law), with the exception of independent directors.

Type of obligation:

Issue and purchase of bonds for a total amount of 50,000,000,000 KZT.

Counterparty name:**Bereke Bank JSC****Sign of interest:**

In accordance with subparagraph 3) of paragraph 1 of Article 64 of the Law of the Republic of Kazakhstan On Joint Stock Companies (hereinafter referred to as the Law), an affiliated person of a Company is an official of the Company or a legal entity specified in subparagraphs 1), 4), 5), 6), 6-1), 7), 8), 9) and 10) of this paragraph, with the exception of an independent director.

According to subparagraph 9) of paragraph 1 of Article 64 of the Law, an affiliated person of a company is a person who, independently or jointly with its affiliates, owns, uses, or disposes of ten or more percent of the voting shares of the company (participatory interests of the organisation) or legal entities specified in subparagraphs 1), 4), 5), 6), 6-1), 7), 8) and 10) of this paragraph.

In accordance with subparagraph 1) of paragraph 1 of Article 64 of the Law, an affiliated person of a company is a major shareholder.

Thus, an affiliate of the Company is member of the Board of Directors of Bereke Bank JSC Yersain Khamitov, since he is also an official (Deputy Chairman of the Management Board, member of the Management

Board) of a legal entity (National Management Holding Baiterek JSC), which owns more than ten percent of the voting shares of a major shareholder of the Company (Agrarian Credit Corporation JSC).

According to subparagraph 2) of paragraph 1 of Article 71 of the Law, persons interested in the transaction by the Company are recognised affiliates of the Company if they are affiliates of a legal entity that is a party to the transaction or participates in it as a representative or intermediary.

In this connection, it follows that there is an interest in the transaction on the part of the said affiliate of the Company.

In accordance with paragraph 1 of Article 73 of the Law, a decision on the conclusion of a transaction by a Company in which there is an interest is taken by a simple majority of votes of the members of the board of directors who are not interested in its conclusion, except for cases where the standard terms of such a transaction are approved by the board of directors of the Company.

In this regard, a decision on this issue is taken by a simple majority of votes of the members of the board of directors, namely independent directors.

In accordance with subparagraph 19) of paragraph 2 of Article 53 of the Law, the exclusive competence of the Board of Directors includes making a decision on concluding major transactions and transactions in which the company has an interest, with the exception of major transactions, the decision on concluding which is taken by the general meeting of shareholders of the company in accordance with subparagraph 17-1) of paragraph 1 of Article 36 and paragraph 3-1 of Article 73 of the Law.

According to subparagraph 23) of paragraph 37 of the Company's Charter, the exclusive competence of the Board of Directors of the Company includes making decisions on concluding major transactions and transactions in which the Company has an interest, with the exception of major transactions, the decision on concluding which is made by the Sole Shareholder of the Company in accordance with the Law.

Type of obligation:

Opening a Mobile term deposit and joining the terms of placement of term and savings deposits up to 20,000,000 KZT by signing an application.

Counterparty name:**National Management Holding Baiterek JSC (hereinafter referred to as the Holding)****Sign of interest:**

In accordance with subparagraph 3) of paragraph 1 of Article 64 of the Law of the Republic of Kazakhstan On Joint Stock Companies (hereinafter referred to as the Law), an affiliated person of the Company is an official of the Company or legal entity specified in subparagraphs 1), 4), 5), 6), 6-1), 7), 8), 9) and 10) of the paragraph, with the exception of an independent director.

According to the specified provision of the Law, Nurbolat Aidapkelov is an affiliated person of the Company and the Holding, since he is an official of the Company (Chairman of the Board of Directors) and the Holding (Deputy Chairman of the Management Board, member of the Management Board).

Niyaz Koshkimbayev is an affiliated person of the Company and the Holding, since he is an official of the Company (member of the Board of Directors). Kairat Sapulatov is an affiliate of the Company

and the Holding, as he is an official of the Company (member of the Board of Directors) and Agrarian Credit Corporation JSC (Deputy Chairman of the Management Board, member of the Management Board).

Aidar Prashev is an affiliate of the Company and the Holding, as he is an official of the Company (member of the Board of Directors, Chairman of the Management Board).

Based on the above provisions of the Law, all members of the Board of Directors of the Company will be affiliated persons of the Holding (as parties to the transaction in accordance with subparagraph 2) of paragraph 1 of Article 71 of the Law), with the exception of independent directors.

This decision was made by the Shareholder in accordance with paragraph 3 of Article 73 of the Law, where a decision on the conclusion by the Company of a transaction in which there is an interest is made by the general meeting of shareholders by a

simple majority of votes of the total number of voting shares of the company in cases where all members of the board of directors of the Company and all shareholders holding common shares are interested parties, and (or) the impossibility of the board of directors making a decision on the conclusion of such a transaction due to the lack of the number of votes required to make the decision.

Type of obligation:

Issue and purchase of bonds for a total amount of 100,000,000,000 KZT.

